

own land. Its goals and methods were so extreme as to be an object lesson to the world on why we must oppose all international terrorism. Many of its members and supporters, lacking in Afghanistan the popular support that in other wars have enabled guerillas to blend into the landscape, were left to fight an armed conflict in which our side could readily prevail, as we have done.

Meanwhile, the vast majority of countries, including some longtime adversaries, have lined up on our side. Their cooperation has been and will remain important in our war effort, in the war against terrorism. The war has also opened doors that have been shut for many years. Opportunities have expanded for cooperation on issues of mutual concern. As the President said yesterday at the Citadel:

All at once, a new threat to civilization is erasing old lines of rivalry and resentment between nations. Russia and America are building a new cooperative relationship.

We must seize the opportunity that this war has afforded us. Clausewitz long ago explained that triumph in war lies not so much in winning battles, but in following up on your victories. The same is true in the broader arena of international politics. We must follow up on the cooperation of the moment and turn it into a realignment of forces for decades to come—so that our grandchildren and great-grandchildren can look back on the 21st century and say that it did not replicate the carnage of the 20th century.

How many Presidents get that opportunity? How many times does a nation have that potential?

Withdrawal from the ABM Treaty will not make nonproliferation, which should be our highest priority and which combats our clearest danger, any easier to achieve. I find that especially worrisome.

A year ago we were on the verge of a deal with North Korea to end that country's long-range ballistic missile program and its sales of missiles and missile technology. Now we seem far away from such a deal, pursuing instead a missile defense that will be lucky to defend against a first-generation attack, let alone one with simple countermeasures, until the year 2010 or much later. What good will a missile defense in Alaska do, if North Korea threatens Japan or sells to countries that would attack our allies in Europe, or sells to terrorist groups that would put a nuclear weapon in the hull of a rusty tanker coming up the Delaware River or into New York Harbor or San Francisco Bay? How does withdrawal from the ABM Treaty help defend against those much more realistic, near-term threats?

What expenditures of money are we going to engage in? How are we going to deal with what Senator Baker, our Ambassador to Japan and former Re-

publican leader, said is the single most urgent unmet threat that America faces, made real by the knowledge that al-Qaida was trying to purchase a nuclear capability?

We must corral the fissile material and nuclear material in Russia as well as their chemical weapons. The Baker-Cutler report laid out clearly for us a specific program that would cost \$30 billion over the next 8 to 10 years, to shut down one department—the nuclear department—of the candy store that everyone is shopping in.

Senator LUGAR actually went to a facility with the Russian military that housed chemical weapons. He describes it as a clapboard building with windows and a padlock on the door, although its security has been improved with our help. He could fit three Howitzer shells in his briefcase. Those shells could do incredible damage to America.

How does withdrawal from the ABM Treaty defend against any of that? Which is more likely—an ICBM attack from a nation that does not now possess the capability, with a return address on it, knowing that certain annihilation would follow if one engaged in the attack; or the proliferation of weapons of mass destruction technology and weaponry, so it can be used surreptitiously?

If you walk away from a treaty with Russia, will that make Russia more inclined to stop its assistance to the Iranian missile program? Or will Russia be more attempted to continue that assistance? Russia has now stated, in a change from what they implied would happen after Crawford, that expansion of NATO, particularly to include the Baltic States, is not something they can likely tolerate—not that we should let that influence our decisions on NATO enlargement. Which do we gain more by—expanding NATO to the Baltic States, or scuttling the ABM Treaty with no immediate promises of gaining a real ability to protect against any of our genuine and immediate threats? If we end the ABM Treaty, will Russia stop nuclear deals of the sort that led us to sanction Russian institutions, or will it cozy up to Iran's illegal nuclear weapons program?

The President made nonproliferation the No. 2 priority yesterday and missile defense No. 3. I truly fear, however, that his impending actions on that third priority will torpedo his actions on his No. 2 priority. If that should occur, we and our allies will surely be the losers.

So far, the administration's conduct in the war on terrorism has shown discipline, perseverance, the ability to forge international consensus, and the flexibility to assume roles in the Middle East and in Afghanistan that the administration had hoped it could avoid. In this regard, the American people have been well served, and I compliment the President.

The war is only 3 months old, however, and the new patterns of cooperation and support are young and fragile. We should nourish them and build on them. This is not the time to throw brickbats in Geneva or to thumb our noses at treaties.

We read in Ecclesiastes: A time to tear down and a time to build up. In Afghanistan and elsewhere, we are rightfully and wonderfully tearing down the Taliban and al-Qaida. But if our victories are to be lasting and give lasting benefit, we must simultaneously build up the structures of international cooperation and nonproliferation. The opportunities afforded by a war will not last forever. Today the doors to international cooperation and American leadership are wide open. But if we slam them shut too often, we will lose our chance to restructure the world and we will be condemned to repeat the experience of the last century, rather than move beyond it.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AGRICULTURE, CONSERVATION, AND RURAL ENHANCEMENT ACT OF 2002—Continued

Mr. REID. Mr. President, we have been on this bill now—we started Monday with debate. We had good amendments offered yesterday, with full discussion. Today we have had a vote on Senator LUGAR's bill, which was in the form of an amendment.

I hope during the next few hours we can have other amendments offered. We are arriving at a point—staff has drawn up a unanimous consent request that I, at a later time, will propound to the Senate. That will be that there be a finite list of amendments so we know the universe from which we are working.

On our side, I say to my friend from Indiana, it appears we have just a few amendments, a very few. Maybe some of those won't even require a vote.

I have been told by various people on the minority side that they have some amendments to offer. I saw here, a minute ago, my friend from New Hampshire. He usually offers a sugar amendment. That is what he might be doing today.

In short, in the not too distant future I will seek approval by unanimous consent agreement to have a time for a finite list of amendments, and then, of course, after that we will ask that there be a cutoff period for the filing of

amendments. So I will just put everyone on alert that is what we are going to do. I hope we can move this legislation along.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I have listened to the Democratic assistant leader, the whip. I appreciate the sense of urgency of moving this legislation at this late hour.

We are dealing with a 5-year agricultural policy for our Nation. There is no question that it is critical and necessary that we deal with it. He and others have chosen to bring it before this body in the final hours of what should be a week toward recess or adjournment, awaiting the next session. I had hoped this would not be the case, but it is.

I would truly appreciate—and I think American agriculture would appreciate—a full debate. We have had that on the bill of the ranking member, Senator LUGAR—his alternative. It was important because it is a clear point of view that needs to be—must be—debated. We will have other alternatives up. I think the Cochran-Roberts alternative provision to the Harkin bill expresses clearly a balanced approach toward a 5-year agricultural policy.

The Senator from Nevada has within the Harkin bill a provision that, for western Senators and arid Western States, is an issue that is an anathema to western water law and the rights of States to determine the destiny of their own water. I and others will want to engage the Senator from Nevada on that issue. That could take some time.

I know of a good number of amendments that I think will be coming. The Senator from New Hampshire is now on the floor to offer an amendment in relation to the sugar program that is both within the Harkin provision and in the Cochran-Roberts provision. That, again, is another important issue for many of the Western States and many of the Southern States. My guess is it will deserve a reasonable and right amount of debate. In my State of Idaho, hundreds of farmers will be impacted, depending upon the success or failure of this amendment.

What I am trying to suggest to the Senator from Nevada is that even at a late hour and this rush to get things done, you don't craft 5-year policy in a day or in a few days. You do a year's policy, oftentimes, because we know we will come back to revisit it again and again every year.

We hope that when we are through here, our work product will be conferenced with the House and with the Secretary of Agriculture and this administration in a way that will establish a clear set of directions for production agriculture in this country. We know that production agriculture over the last good number of years has suffered mightily, under a situation of at

or below break-even costs for commodities, for all kinds of reasons.

The chairman of the Agriculture Committee is trying to remedy that in his bill. The ranking member has offered an alternative, and others will offer alternatives that have to be debated. I cannot, nor will I, support a rush to judgment.

Agriculture policy for my State is critical to the well-being of the No. 1 feature of Idaho's economy, and we cannot decide simply, on the eve of Christmas, in an effort to get things done quickly, that we debate something that does not expire until next September.

While I think we have adequate time this week to do so, and maybe next week, to address other issues—because it appears we will be here for some time—then we must do it thoroughly and appropriately. I hope the Senator will not push us to try to get us to a point of collapsing this into just a few more hours of debate. It is much too important to do so.

The PRESIDING OFFICER (Mr. AKAKA). The Senator from Nevada is recognized.

Mr. REID. I say briefly to my friend from Idaho, the Senator answered his own question—certainly mine. There is a lot to do on this bill. I acknowledge that. But we completed our last vote before 11 o'clock today. For the last hour, we have basically listened to people talking about the stimulus bill and the antiballistic missile treaty. The reason they have been talking about those things is there is nothing happening on the farm bill.

If we have these important issues—for example, everyone is familiar with the Cochran-Roberts legislation—let's get them here and get them voted on.

I am happy to see my friend from New Hampshire here. The distinguished Senator has always had a real issue with how sugar is handled. Good, he is here. Let's debate this and vote on it.

I hope, with other matters raised by the Senator from Idaho, people will come forward and do that, that we not have a slow walking of these amendments. We are not trying to rush anyone into anything. But we are saying when there is downtime here when people are not doing anything relating to the farm bill, it is not helping the cause. That is why I think no matter how many amendments there are, there should be a time for filing those amendments.

We are arriving at a point where I am going to ask consent to have a finite list of amendments, and we are going to see if they will agree to have a cut-off time for filing amendments. If that is not the case, then other action will have to be taken.

This legislation is important to America. We are doing everything we can to move it as expeditiously as possible. It is unfortunate that we are

working under time constraints. That is how it works in the Senate. We are always busy. There is always something coming up, this holiday or that holiday. The fact is, the farming community of America is more concerned about getting this legislation done than when we go home.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, I come to the floor to offer an amendment on behalf of myself, Senator LUGAR, and Senator MCCAIN, cosponsors of the amendment. This amendment deals with what has been a fairly well-debated and discussed issue in our farm policy; that is, how we price sugar in this country. The sugar program in this country has been, in my humble opinion, a fiasco and an atrocity with the inordinate and inappropriate burden on American consumers for years.

I call up my amendment.

AMENDMENT NO. 2466 TO AMENDMENT NO. 2471

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Hampshire [Mr. GREGG], for himself, Mr. MCCAIN, and Mr. LUGAR, proposes an amendment numbered 2466 to amendment No. 2471.

Mr. GREGG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To phase out the sugar program and use any resulting savings to improve nutrition assistance)

Beginning on page 54, strike line 1 and all that follows through page 87, line 8, and insert the following:

## CHAPTER 2—SUGAR

### Subchapter A—Sugar Program

#### SEC. 141. SUGAR PROGRAM.

(a) IN GENERAL.—Section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) is amended—

(1) in subsection (e), by striking paragraph (1) and inserting the following:

“(1) LOANS.—The Secretary shall carry out this section through the use of recourse loans.”;

(2) in subsection (f), by striking “2003” each place it appears and inserting “2006”;

(3) by redesignating subsection (i) as subsection (j);

(4) by inserting after subsection (h) the following:

“(i) PHASED REDUCTION OF LOAN RATE.—For each of the 2003, 2004, and 2005 crops of sugar beets and sugarcane, the Secretary shall lower the loan rate for each succeeding crop in a manner that progressively and uniformly lowers the loan rate for sugar beets and sugarcane to \$0 for the 2006 crop.”; and

(5) in subsection (j) (as redesignated), by striking “2002” and inserting “2005”.

(b) PROSPECTIVE REPEAL.—Effective beginning with the 2006 crop of sugar beets and sugarcane, section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) is repealed.

#### SEC. 142. MARKETING ALLOTMENTS.

Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is repealed.



**SEC. 143. CONFORMING AMENDMENTS.**

(a) PRICE SUPPORT FOR NONBASIC AGRICULTURAL COMMODITIES.—Section 201(a) of the Agricultural Act of 1949 (7 U.S.C. 1446(a)) is amended by striking “milk, sugar beets, and sugarcane” and inserting “, and milk”.

(b) POWERS OF COMMODITY CREDIT CORPORATION.—Section 5(a) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(a)) is amended by inserting “(other than sugar beets and sugarcane)” after “agricultural commodities”.

**SEC. 144. CROPS.**

Except as otherwise provided in this subchapter, this subchapter and the amendments made by this subchapter shall apply beginning with the 2003 crop of sugar beets and sugarcane.

**Subchapter B—Food Stamp Program****SEC. 147. MAXIMUM EXCESS SHELTER EXPENSE DEDUCTION.**

(a) FISCAL YEARS 2002 THROUGH 2004.—

(1) IN GENERAL.—Section 5(e)(7)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)(B)) is amended—

(A) in clause (v), by striking “and” at the end; and

(B) by striking clause (vi) and inserting the following:

“(vi) for fiscal year 2002, \$354, \$566, \$477, \$416, and \$279 per month, respectively;

“(vii) for fiscal year 2003, \$390, \$602, \$513, \$452, and \$315 per month, respectively; and

“(viii) for fiscal year 2004, \$425, \$637, \$548, \$487, and \$350 per month, respectively.”.

(2) EFFECTIVE DATE.—The amendments made by this subsection take effect on the date of enactment of this Act.

(b) FISCAL YEAR 2005 AND THEREAFTER.—

(1) IN GENERAL.—Section 5(e)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)) is amended by striking subparagraph (B).

(2) EFFECTIVE DATE.—The amendment made by this subsection takes effect on October 1, 2004.

Mr. REID. Mr. President, if the Senator will yield for a question, again, I am not trying to hurry the Senator. Does the Senator have any idea how long his statement will take?

Mr. GREGG. My statement won't take more than about 15 or 20 minutes. I understand Senator MCCAIN will speak and Senator LUGAR may wish to speak. I don't know how long anyone else will want to take. I am going to ask for the yeas and nays as soon as our dialog is over.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. REID. Mr. President, there are only meetings going on from 1 until 2 o'clock. If we could vote at quarter to 1, that would be fine.

Mr. GREGG. I can't really at this time agree to a timeframe because of the fact that I am not sure who wants to speak in opposition. I want to give them adequate time. I don't mind going to a vote as soon as we can.

Mr. President, the sugar program as constituted and as it has evolved over the years has regrettably become a raid on the pocketbooks of the American consumer to benefit a small number of sugar producers in this Nation.

The price of sugar in the United States is approximately 2 to 2½ times what the price of sugar is on the world market. The burden of that inflated price is borne by the consumers. In fact, the cost to the consumers is approximately \$1.4 billion to \$1.8 billion a year depending on whose estimate you use. That inflated price is a function of the fact that we have set up a system of nonrecourse loans, a very arcane system which essentially guarantees to the producer of sugar in this country 18 cents for its cane sugar and 22.99 cents for sugar beet sugar. In comparison with the fact that if they were to grow and try to sell that type of sugar in the open markets, the amount they would actually get would be somewhere in the vicinity of 9 cents. The effect is that the U.S. consumer is paying the difference between 9 cents, which is what the world price is, and 22 cents for sugar.

If the market were appropriately adjusted to reflect world price, you would probably end up with a sugar price in the United States of around 12 cents, or approximately 55 percent of what the present price is in the United States.

The effect of this is that all products that use sugar have an inflated cost. It costs a lot more than it should.

Who bears that cost? The American consumer bears that cost. Who is the American consumer?

We hear all of this debate about small family farms and how we are trying to protect small family farms. That is a worthy cause, indeed. But the American consumer is also under a lot of economic pressure. The American consumer—especially if you are living on a fixed income, if you are a senior citizen living off your Social Security check, if you are a welfare mother living off payments from the Government, if you are in a family with a mother and a father working two jobs trying to make ends meet, trying to send children to school, and trying to make sure they have a good lifestyle for their family—is under a lot of economic pressure, too.

But it turns out that in order to benefit a very small number of growers—believe me, it is an incredibly small number of growers—we require all of these Americans to pay a lot more for the food they eat than they should have to pay if we had a market economy for sugar.

Forty-two percent of the benefit of the subsidy for sugar goes to 1 percent of the growers. There are some extraordinarily wealthy families and businesses in this country who are essentially putting their hands not in the cookie jar but in the pockets of the American citizenry and taking money out of that pocket so that they can have this ridiculous subsidy on sugar that is so unrelated to what it costs, No. 1, to produce it, and No. 2, what the world price is.

The sugar producer industry has told us for years: Well, this program doesn't cost a thing. It doesn't cost the American taxpayer anything because there was no tax payment to support the sugar program. That was true for many years. In fact, there was an assessment fee they paid into the Treasury. It was sort of what I call a purchase fee. They got to buy, with one dollar, five dollars. It was a great deal to them. They paid \$1 into the Treasury but they got \$5 back from the consumer.

This is one of the great sweetheart deals in American political history. They could charge the sugar producers their assessment fee and pay into the Treasury \$260 million, which I think they paid in on the average—something like that. What they failed to mention was that for that little assessment fee they got \$1.5 billion of subsidy.

That is a pretty good deal. There are not too many deals in this country even in our capitalist system where you get a guaranteed return of \$1.5 billion when you pay in \$260 million. There are not that many good deals like that out there anymore. I don't think there ever was. But there are for the sugar producers. That is history. That situation no longer exists.

Today, they are not paying in any more as a net issue. They are actually now getting paid tax dollars on top of this subsidy they get—tax dollars which amounted to about \$465 million because the Government, under the nonrecourse loan process, had to go out and buy the sugar. Not only do we have to buy the sugar, but we have to store the sugar. We are getting back to that time of the 1970s and 1980s when President Reagan came in and found warehouses full of butter. There were people in this country who needed butter. Reagan was smart enough to ask why we were storing all of this butter and to get rid of it. They gave it to people who needed it.

We are starting to do that with sugar again, just like we did with butter. We are starting to store sugar. Now we have one million tons of sugar. It is projected we are going to have 12 million tons of sugar in the next 10 years. It is going to cost us \$1.4 billion in tax dollars.

This isn't the subsidy that consumers pay. We are going to first hit people with a subsidy. They are going to have to pay more for sugar than they should have to pay. Then we are going to hit them with a tax to produce the sugar for which they are already paying too much—\$1.4 billion it is projected. We are going to have 12 million tons of sugar.

I do not know where we are going to put it. Maybe we are going to fill up the Grand Canyon. When you float the Grand Canyon, you will get all the sugar you ever wanted. We will have to find a place to put it. I am sure somebody will come up with a creative idea

of where we are going to put it. Storing it will cost a huge amount of money. I have forgotten, but I think it is maybe \$1 million. But there is an estimate for that, too. You have to figure we have to pay to store the sugar.

So we are going to have all this sugar we do not need. We are going to pay all these taxes we should not have to pay to buy this sugar we do not need. And then we are going to have this program which continues to produce sugar we do not need at a price which has no relationship to what the open market charges for sugar.

Just to reflect on that for a moment, I have a chart which shows the difference between the world market and the American price on sugar.

Some people will say: Oh, but this world market is a subsidized market. In some places it is. I acknowledge that. In some places it is a subsidized market. But not universally and not for a majority of the sugar producers in the world. In fact, if we were to open American markets to competition, you could be absolutely sure we could structure it in a way that the sugar that came into the country in a competitive way was not subsidized. So we would not have that problem. So as a practical matter, we can get around that issue, and it is not a legitimate issue.

So where are we? Basically, where we have been for many years. In the mid 1980s, the Congress had the good sense to say: Listen, this program makes very little sense. There are a lot of people making a lot of money at the expense of the consumers, and there is no market forces at work here at all. And there is no reason why we should continue a program that has all these detrimental effects.

There is another detrimental effect I need to mention, as long as we are at it, that is not a monetary one. It is an environmental one. We know that because we have so grossly overpriced the sugar production that there has been more of an impetus to create more sugar cane capability, especially in Florida. The effect of that, on especially the Everglades, has been devastating—so devastating, in fact, that last year, under the leadership of Senator SMITH from New Hampshire, we had to pass a new bill to correct the problems in the Everglades, which is another bill that is going to cost us a huge amount of money in order to correct the problem that was created by the subsidized sugar prices and the overproduction of sugar.

We know as we clear these fields for sugar cane production, especially in Florida—although there is now in place a system to try to get some logic to that process—we know that has a huge detrimental impact on the environment of that area because most of these areas are marginal wetlands and also critical wetlands and especially recharge areas for the Everglades.

So on top of all the other problems the program has, it has had this unintended consequence of creating a significantly environmentally damaging event, at least in Florida.

So where does that leave us? As I was mentioning, in the mid-1980s, we had the good sense, as a Congress, to say: Hey, listen. This makes no sense. This program makes no sense. Why should we be paying twice the price of sugar on the open market? Why should we be paying taxes to buy sugar we do not need? And why should we be sending the majority of this money to a small number of producers when the vast majority of Americans are affected?

So we actually had a few years without a sugar program. There will be an argument made, I suspect, that is what caused the price of sugar to fluctuate. Yes, it did. That was the idea, that you would start to see market activity in the sugar commodity. Unfortunately, we did not participate in this experiment long enough to find out whether we could bring market forces to bear. But we were clearly moving in that direction.

The argument that that fluctuation in price, which was the precursor of having a market event, is one reason you do not want to have sugar production subsidized or one reason you have to have sugar production subsidized is as if to say because Ford Motor Company cuts the price of its car and comes out with zero financing, we should suddenly subsidize Ford Motor Company because the market is clearly having an effect on their price.

This program is obviously important to a number of States that have producers. But you cannot justify it in its present structure. It needs to be reorganized.

So what my amendment does is to eliminate the nonrecourse loan event. It makes the loans recourse and takes the savings and moves them over to the Food Stamp Program so that people who are on food stamps and who need to buy food commodities which are suffering from an inflated price because of the sugar industry will have more money available to them to do that.

Remember, sugar goes beyond candy, by the way. Some people think it is always candy. Sugar is in just about any product you buy that is a processed product. It has sugar in it. So if you are on food stamps, and you are trying to buy some pasta or you are trying to buy a meat sauce or you are trying to buy some sort of hamburger assistance that gives it a little flare, all of those products, which are important to the nutrition of a person on food stamps, are having an inflated price because they have sugar in them.

This amendment says, let's take the savings which will be regenerated here and move it into the Food Stamp Program. It is a very reasonable amend-

ment. I am sure it is going to pass this year, even though it may not have passed in the last 7 years that I have offered it.

I reserve the remainder of my time.

Actually, I do not have any time left, so I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire yields the floor.

Who seeks recognition?

The Senator from Idaho.

Mr. CRAIG. Mr. President, let me use some time now. I know other colleagues want to speak to this issue of the Gregg amendment. I will speak for a time on it because there are some important issues to be discussed.

The Senator from New Hampshire has, once again, portrayed the sugar program that has been a part of agricultural policy in this country for a good number of years as somehow evil and unjust, going to a small select group of people.

For the hundreds of farmers in Idaho who, for the last 2 years, have lost a lot of money raising sugar beets—and under the new provisions within the Harkin bill or the Cochran-Roberts substitute would make no more money—I find the arguments of the Senator from New Hampshire interesting and unique—interesting because he said he would eliminate the recourse loan program and transfer the money to the Food Stamp Program.

It is pretty difficult to transfer money that does not exist, No. 1, because under the no-net-cost approach that is provided within both versions that we are debating today, there is no authorized money specific to this program.

As we know, over the last good number of years, because of the buyout of the market store and resell into the market concept, actually the Department and the Secretary of Agriculture were making money. There has been this brief period of time when recourse loans were purchased back, but from 1991 to 1999 about \$279 million was actually made for the U.S. Treasury, all from the program. About 1.5 percent of the commodity program expenditure actually got caught up in recourse loans over the last year. But, again, that is that pool of money out there used for these purposes, with no specificity directed to the sugar program itself.

As the Senator has mentioned, the sugar program, as we call it, has—and his graph showed it—brought relative stability to the sugar market in this country. I say relative stability because during that period of time that he was talking about, in which there was not a program, there was a substantial runup and decline in price.

Not only were there dramatic peaks and valleys, not only did the consuming public feel it, but the large wholesale consumers were, when it was



at its peak, very concerned. It shoved the cost of their commodities—candy bars or soft drinks, other uses of sugar—up. But when that price then declined, of course, they didn't reduce the price of their product because they had already established a price in the market.

I find it most fascinating because there is the general assumption on the part of the Senator from New Hampshire that, if his amendment were to pass, the consumer would benefit, and there is absolutely no evidence in fact that that would happen. In fact, there is argument quite to the contrary.

Over the last couple of years we have seen a dramatic decline in sugar prices in this country, even with the current program. Nowhere have we seen any one retail product on the consumer market shelf decline as a result of the reduction in sugar. Where does it go? My guess is it goes into the profitable bottom line of that commercial producer out there. I don't argue that. It is the reality of what we are dealing with.

I don't think the amendment the Senator is offering brings down the price one penny on a candy bar, one penny on a bottle of pop, or any other commodity in the marketplace, from boxed cereal to any other product that has sugar added to it to enhance flavor and to characterize the product to see it come down. That is simply a false argument. The reason I use the word "false" is because the evidence that it would be quite to the contrary. The evidence is that it would not because clearly we have seen that kind of price not happen in the last several years.

The U.S. producer price for sugar has been running at 20-year lows for almost 2 years, down more than a fourth since 1996. That is under the current program. That is why this past year we have seen some forfeiture of sugar, and that is why the Department of Agriculture now owns some sugar.

The bill that is before us, the new policy that will become agricultural policy, changes that and moves us clearly back to a no-net cost to the consumer.

Grocers and manufacturers are not passing through these lower prices, as I have mentioned, whatever the product. While we have seen this drop in price almost to a historic low, the harm has not been to the consumer because they have not felt it, or, the positive side, it has been to the farm family who has been the producer of the product and has had to offer the flexibility that they must in a production scenario to offset those kinds of costs.

There are a good many other issues out there. I see several of my colleagues in the Chamber to debate this issue. I will deal with other portions of it as we come along.

The United States is required to import, under current law, nearly 1.5 mil-

lion tons of sugar or about 15 percent of its consumption. We already buy sugar off the world market. Each year, whether the U.S. market requires that sugar or not, that is the agreement. That is what the program offers.

In addition, unneeded sugar has entered the U.S. market outside of the sugar import quota through the creation of products from import quota circumvention. We, for the last several years, have had the frustration of what we call stuffed product, product that is intentionally enhanced with sugar, brought into this market reprocessed. The sugar is pulled out of the product—in this case molasses—to get around these kinds of limitations in the marketplace and limitations to the market itself. Why? Obviously, sugar is a commodity that moves. And we have now had court tests against that saying, yes, those are violations.

We also have an agreement with Mexico under the North American Free Trade Agreement that brings sugar into this market. So to suggest that we are immune to a world market is not all of the story. The story is that 15 percent of the sugar that is in the U.S. market is world market sugar.

When the Senator from New Hampshire quotes the world market price, he is quoting the open price. He is not quoting the price of Western Europe. He is not quoting the price anywhere else in the world. All prices differ based on supply, demand, and access to markets.

What we have tried to do over the years with the sugar program is create stability, stability to the consumer and to the producer. Historically, we have been very successful in doing just that.

We have done it in large part at no cost to the American taxpayer and, in fact, at less cost to the American consumer. The dramatic runups in sugar prices that had to be passed immediately through to the consumer simply have not existed.

There are a good number of other arguments I know my colleagues want to make on this issue. It is an important part of an overall agricultural policy for this country. It is an important part of an overall farming scenario for my State and for many other States in the Nation. It creates stability in the farm communities of my State. It has historically been a profitable commodity to raise in Idaho. It is no longer today.

I hope the programs we are debating that are within the Harkin bill and that are within the Roberts-Cochran substitute will bring stability back to the sugar beet producer in the Western States and in the Dakotas and Michigan, and certainly to the cane producer in the South.

I yield the floor. When the appropriate time comes, as the Senator from New Hampshire has already requested the yeas and nays on his amendment, I

will ask my colleagues to stand in opposition to it.

The PRESIDING OFFICER. The Senator from Wyoming, Mr. THOMAS.

Mr. THOMAS. Mr. President, I appreciate the comments of my friend from Idaho. It is an interesting issue. It affects much of the country, all the way from Wyoming to Hawaii cane sugar, Louisiana, down to Florida, back through our part of the world. We are talking about an industry that provides nearly 400,000 jobs.

It has been said that this is a small, minute industry. It is not. In fact, in my State it is one of the few agricultural crops which are refined, ready for the market, ready for the shelf when they leave our State. So we have factories there that provide employment, of course. In many rural communities, sugar is a very important economic issue, not only to farmers but also to processors. Economically, it generates \$26 million annually.

The debate over sugar takes place nearly every year, and the same arguments come up year after year. The fact is, there is a solid reason to have an industry of this kind, and I hope it will continue in the future. By world standards, U.S. producers are highly efficient—eighteenth lowest in the cost of production out of 96 producing countries and regions—despite, of course, having the highest labor and environmental standards. Some of the lowest cost is produced in the West. So we are interested and involved in that.

As was pointed out, often there is talk about the world market. The fact is, the world market is a dump market. It is what remains after the other countries use all they can and put it on the market. It is not an economic cost. To compare that is simply not true. The current prices in all world export markets are dumped.

Of course, as was mentioned, one of the things we have just gone through in terms of Canada is the unfair situation called stuffed molasses, where it is against the trade arrangements to bring in sugar. So they mix sugar and molasses, bring it across the line, take it back out of the molasses and market it as sugar. Fortunately, we were able to get a court decision on that. Hopefully that gimmick is closed. We will continue to work on it, of course.

The fact is that consumers do benefit. The retail price of sugar is virtually unchanged since 1990. Our prices are 20 percent below developed market prices. And interestingly enough, as is the case with lots of agriculture, the product price to the producer is quite different than to the consumer. I think it points it out here. The producer price, since 1996, is down 23 percent. At the same time, the consumer price is up 6 percent. So the idea that this program is a handicap to consumers is simply not accurate.

As I said, the price for sugar to the producer has fallen 23 percent, but grocery stores have not lowered their price. Cereal is up 6 percent. Cookies and cake are up 10 percent. Ice cream—my favorite thing—up 21 percent. So we have a program that affects many people, which has been good for consumers in this country. We have a program that has generated a good deal of money and since 1990 in market assessment tax. We have lots of good things in this program, and we need to continue to make sure it is there for consumers and it is there for producers.

I want to mention a couple of other items. As an industry, the U.S. retail price is 20 percent below the average of developed countries. It is third from the lowest in the world in the retail price of sugar. That is interesting, and it is good for consumers. Certainly, in terms of the work required to buy a pound of sugar, the United States is third from the bottom, only above Switzerland and Singapore. So in terms of our economy, sugar is a bargain for the consumer. As I mentioned, these prices have gone up.

So we have a program that has worked, a program that is very important to consumers, to producers and processors, and it will be changed some. We are going to have more within the industry an effort to control production so we don't have excessive production. That is going to be done. Not only have we had a good program, we are in the process of having an even stronger program. I will resist the amendment on the floor and urge my fellow Senators to do the same.

I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAUX. Mr. President, I rise in opposition to the amendment related to the sugar program. That has become sort of a biannual exercise, where we must come to the floor and defend a program that has really worked in favor of not only the American producer but also the consumer of sugar products.

I don't know how many Members of Congress, the mail situation being what it is, have had a lot of people writing and telling us: You have to do something about this terrible sugar program because the price of sugar is so high that I can't afford to buy sugar to sweeten my tea or to use on the food in my home.

The fact is that the program has worked very well for both the producer of the product and also for the consumers of the products. It is a program that has a great deal of history. Since about 1985, the sugar program has had a loan much as the other commodities have had. The loan has been about 18 cents a pound for cane sugar producers. That has been the loan level for a number of years—for about 15 years now. It has allowed the American sugar producer to survive.

Very simply, the program works. If the market that exists for sugar is above the loan level, our producers are able to sell it for whatever they can get above the 18 cents level. If the price falls below the 18 cents level for sugarcane, then the Government will provide, in the form of a loan, that amount per pound to the American sugar producer. That allows them to stay in business.

The good news is, unlike some of the other commodities, our Government can help guarantee there will be a minimum price, trying to control the imports that come into this country. Some would argue that we should have free trade and they should be able to sell into this country anything they want anytime they want. The reality of the situation is that most countries—over 100—some countries in the world that try to sell sugar in this country—take care of their own domestic needs, and then they dump the rest into the U.S. market for any price they want. They don't care whether they get 18 cents, or 5 cents, or 8 cents for it; they just want to get rid of it. They attempt to dump whatever they don't need into the U.S. market, which, obviously, if we didn't have a program, would be allowed to destroy the industry in this country completely.

So the farm bill—it is a good package, and I thank the folks who have worked in committee to put it together—will continue that type of program, at no cost to the American taxpayer, which I think is unique in itself as far as this commodity is concerned. It is a good program, and it has worked.

This is really interesting, and I will use one chart. When people look at whether the price of sugar is going up—well, the price to the people who produce it is going down. Since 1996—these are producer prices, the people out in the field. Since 1996, the producer wholesale price level for sugar has gone down 23.4 percent. That is since 1996. So when people argue that somehow producers are getting rich off the program, the reality is that the price, according to the U.S. Department of Agriculture, has gone down 23.4 percent over the last 5 years for the people who actually produce the product.

If anybody has a complaint about the price of sugar—and what I mentioned in my opening comments is that we don't have people marching on Washington, or making phone calls, or writing letters saying the price of sugar is too expensive. Nobody is complaining about it. If you look at the facts, the products that have increased in price and some of the products you should go after are the candy industry, cereal, cookies and cakes, bakery products, and ice cream. Those products have gone up substantially higher over these years than the wholesale refined sugar

price. Retail sugar increased only 5.8 percent; that is all. So the housewife, or the person buying groceries for the family, has not noticed an inordinate increase in the price of sugar at all. It is in keeping with the cost of other inflationary price increases we have seen, or even more than the regular increases.

But there have been increases in products that use sugar. If there is a complaint, we ought to look at them. The wholesale price at which they buy the sugar has gone down 23 percent, but their price at the retail level has increased by as much as 21.4 percent in the case of ice cream and 14 percent in bakery products.

We have a program that has worked well. We have a loan program that sets a price that has been 18 cents since about 1985. It is a good program, and it operates at no cost to the taxpayer. It keeps beet farmers and sugarcane farmers in business. In Louisiana, all of our cane farmers are small family farmers; they are not large. They work hard every day. The only thing they need is a little bit of assistance that we provide in this program, at no cost to the taxpayer.

To change something that has worked would be the wrong policy. I strongly urge that we defeat the Gregg amendment to this important piece of legislation.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota, Mr. Conrad, is recognized.

Mr. CONRAD. Mr. President, I thank my colleague from Louisiana for his remarks because he is right on target with respect to this amendment.

This amendment of the Senator from New Hampshire is a mistake. When the Senator from New Hampshire gets up and tells our colleagues that the world price for sugar is just over 9 cents a pound, it is not true.

That is not what the world price of sugar is. If one thinks about it for a moment, it could not possibly be because the cost of producing sugar is over 16 cents a pound. In fact, it is about 16.3 cents a pound. So how could it possibly be that the world price for the commodity is just over half of what it costs to produce? It cannot be, or the entire sugar industry worldwide would be bankrupt. This is very clear.

I do not think there is anybody who really knows the sugar industry who does not understand that the cost of producing sugar is between 16 and 18 cents a pound. That is what it costs to produce. So anybody who tells you that the world price is a fraction of what it cost to produce is firing with blanks.

The hard reality is, that is not the world price of sugar. That is a dump price for sugar. I guess it is easy to understand how these misassumptions occur because people are not familiar with the industry. The fact is, the vast



majority of sugar in the world moves under long-term contracts. When they go to this so-called world price, they do not have what is the true price of sugar. What they have is what sugar is dumped for outside long-term contracts. It is a fraction of the sugar that is sold in the world.

If you want to do a reality test, what I am saying has to be true because if it was not, the entire industry would have gone bankrupt long ago because they would be getting a price for their product that is a fraction of what it cost to produce.

I respect the Senator from New Hampshire. I like him. I serve with him on the Budget Committee. He is one of our most able members. But when he talks about the world sugar market, he just has it wrong. When he says the price of world sugar is less than 10 cents a pound, that is not accurate. That is a dump price. That is the sugar that sells outside of long-term contracts.

The occupant of the chair, the Senator from Hawaii, is deeply knowledgeable on this matter. The Senator from Hawaii has helped lead this debate many years in this Chamber. He understands the industry, and he knows that the vast majority of sugar in the world sells under a long-term contract.

That is what I think is misleading the Senator from New Hampshire. Those long-term contracts are not part of this calculation on the so-called world price because, in fact, it is not a world price; it is a dump price. It is for sugar that sells outside of long-term contracts, that those who have produced more than they sell under long-term contracts go out and dump.

I want to go to the next point that I think is very important for people to understand. That is the developed countries' retail sugar prices. The United States is 20 percent below the average. This chart shows what retail sugar prices are in developed countries: Norway, 86 cents a pound; Japan, 84 cents a pound; Finland, 83 cents a pound; Belgium, 75 cents a pound; Denmark, 75 cents a pound, and on it goes. I am part Swedish, 62 cents. I am part Danish. Sugar is 75 cents there. Norway—I am part Norwegian, too—is 86 cents. They are paying a lot more in those countries for the retail price of sugar than we are paying.

I am part German, too. Germans are paying 45 cents per pound. Where is the United States? We are third from the bottom.

When our colleague from New Hampshire runs out here and says to everybody that the consumers are getting gouged, it is not true. It just does not stand up to any analysis. The fact is, we are third from the bottom in the developed world on what we pay for sugar.

I can understand how confusing the economics of this industry are to those

who are not familiar with the industry and not familiar with agriculture, but the reality is very simple: What farmers are getting has been going down and going down substantially over the last several years. We are on the brink of a massive failure of sugar producers all across this country because of the collapse in the prices they are being paid for their product.

The Senator from Louisiana showed the prices that sugar producers are receiving is down 24 percent. That is the reality. The other reality is that consumers in this country are getting on a relative basis, on a comparative basis, looking at what consumers pay in other developed countries, a very good deal. The truth is, it is a very competitively priced product in this country and right around the world.

Finally, the point I think is so important to me and so important to understand is when the Senator from New Hampshire says the world price of sugar is under 10 cents a pound and farmers are getting paid 18 cents or 22 cents and there is this huge profit, he does not have it right.

The world price of sugar is not 9.5 cents a pound. That is the dump price. That is what a small minority of the sugar produced in the world sells for, that sugar which is outside of long-term contracts. That is where the vast majority of sugar sells, and the vast majority of sugar sells for about 20 cents a pound. That is the reality, that is the fact, and we should not be misled or misguided as to the economics of this industry.

It would be a disaster for thousands of families who produce sugar all across this country if the Senator from New Hampshire were to prevail. You cannot be an island unto yourself. The fact is, the sugar industry is supported in virtually every country within which it is produced—in fact, every country. Not virtually every, not almost every, but every single country. That is what we are up against.

Either we can fight back and give our people a fair fighting chance or we can roll over and play dead and wave the white flag of surrender—give up, give in, and let these people go broke and be poorer for it as a nation.

I hope the Senate will respond, as we have, so many times in the past in recognizing that this industry is important to the strength of rural America, just as the rest of agriculture is critically important to the strength of rural America.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Montana, Mr. BAUCUS, is recognized.

Mr. BAUCUS. Mr. President, I thank my good friends from North Dakota, Louisiana, and others who are speaking against this amendment and explaining the facts. Once the facts are known, I believe Senators will know this amendment is not a good idea.

We want a strong agriculture policy in America, and we want a level playing field. We know that much too often other countries tend to favor their producers, their industries, their companies at the expense of the United States, at least more so than we Americans do.

Every other country has a more, if I can use the term, socialistic policy; that is, tends more toward Government intervention in helping the producers and companies and their industries, than does the United States. Frankly, it is the view of the United States that we be a more free market, more independent, and let producers and companies pursue their own agenda. At least on a comparative basis that has made us stronger than other countries. It is a major strength of America. Having said that, we clearly don't want to make matters worse.

In the meantime, even though other countries do subsidize their producers or their companies or industries more than we do, we, through our ingenuity—this is a general statement; there are exceptions—are able to fight back with greater ingenuity, creativity, good old American can-do, common sense, and find a way to get the job done. We don't moan and complain but fight and get the job done.

This amendment moves us in the opposite direction. It says although the playing field is not level, although it is tilted today against the United States with respect to sugar, we will tilt it even more against American sugar producers. That is what this amendment does.

As other Senators have ably demonstrated, the facts show that compared to other countries the United States ranks, for Government support for sugar, third from the bottom. Other countries protect their sugar industry much more than the United States. Sugar prices in the United States are lower, significantly, to the consumer.

I am having a hard time understanding why this amendment is on the floor. Why would we as Americans want to hurt ourselves? It is unfathomable. I cannot come up with a reason—unless it sounds good on the surface because we have a quota system in the United States that provides stability to American producers. If that system in the United States were eliminated, or if the amendment pending of the Senator from New Hampshire were adopted, not only do producers already suffering suffer more—prices are down 23 percent—but local communities suffer: the shops, businesses, and gas stations. It is not just those who work in factories and the fields producing the cane or the beets.

Sugar is a valuable commodity in my state of Montana. More than \$188 million in economic activity is generated in Montana each year by the sugar and sweetener industries and creates close to 3,300 jobs in my state.

The production of sugar in the United States is a large and competitive operation. Throughout the Nation, the sugar industry generates 373,000 jobs in 42 States and creates \$21.2 billion in economic activity.

Our American sugar producers are among the most efficient in the world. The United States ranked 28 out of 102 sugar-producing countries for the lowest cost in overall sugar production. And the United States is the world's fourth largest sugar producer, trailing only Brazil, India, and China.

But despite these positive statistics, our sugar producers are hurting. Producer prices for sugar have fallen sharply since 1996. Wholesale refined beet sugar prices are down 23 percent. Prices for sugar have been running at a 20-year low for most of the past two years. This has caused a deep hardship for American sugarbeet and sugar cane farmers. Many have gone out of business and many more are on the brink of economic ruin.

We have seen 17 permanent sugar mill closures in the nation since 1996. These closing are devastating to entire communities. Devastating to our producers, mill employees, transportation, restaurants, small businesses, and the list goes on. Some producers are trying to buy mills that are on the brink of bankruptcy in order to protect further communities from these losses.

For example, the Rocky Mountain Sugar Growers Cooperative is in the process of purchasing several mills in the Montana, Colorado and Wyoming areas. These producers, and the cities that depend upon them, need a sugar policy that they can depend upon so that they can once again flourish.

We need a strong sugar policy. American sugar farmers are efficient by world standards, and are willing and prepared to compete on a level playing field against foreign sugar farmers, but they cannot compete against foreign governments. We must give them the level playing field they need.

I strongly urge this amendment be defeated. It does not make sense. Once the Senators know the facts, Senators will realize this amendment should not be adopted.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Ms. LANDRIEU. Mr. President, I join my colleagues, who have spoken so eloquently and forcefully on this subject, in urging the Senate to defeat the Gregg amendment.

Mr. President, Louisiana is a sugar State. There are 18 sugar mills and two sugar refineries in Louisiana and we have more acreage devoted to sugarcane than any other State. Many of our parishes rely on the sugar industry for their economic vitality. It is an important industry that is hundreds of years old in the State of Louisiana and throughout many parts of our Nation. Nationwide, the sugar industry di-

rectly and indirectly affects 37,200 jobs in 42 States. It is a \$21 billion industry.

At this time in our Nation's history, with a recession underway, and with our efforts to try to build ourselves out of this recession, we want to do things in Congress that help, not hurt. The Gregg amendment is taking us in the wrong direction. We need to be creating jobs, not eliminating them. The sugar industry means thousands of jobs to Louisiana.

Are consumers harmed by our national sugar policy? Absolutely not. Sugar prices have been relatively stable because of this sugar mechanism in the farm bill. There are different provisions in this farm bill, but the sugar provision is unique in that it is a provision that can actually return money to the Federal Treasury. It is a self-help mechanism. From 1991 to 1999, this policy was a net revenue raiser of \$279 million. Sugar loans last year amounted to only a little over one percent of federal commodity expenditures, and this negligible cost will be defrayed as that sugar is gradually sold back into the market. In addition, between 1997 and 2001, the government rightly spent \$90 billion to save rural America from other commodity forfeitures. None of that money went to sugar producers.

Because the sugar industry does not enjoy the same types of price supports as other commodities, we have developed over many years in Congress a program that both maintains low retail prices and provides support to an industry that must compete with heavily subsidized foreign sugar programs. The Senator from New Hampshire's Amendment would replace production by efficient, unsubsidized American sugar farmers with sugar from less efficient, heavily subsidized producers from Brazil and Europe.

I believe the American sugar program is one worth supporting. It has been carefully crafted, and helps retain jobs in Louisiana and around the Nation. It is something we need to continue to support, not one to move away from.

Let me also add, I am particularly pleased with the vote the Senate had yesterday on the dairy provisions. By a one-vote margin we came to a compromise that will help strengthen the underlying farm bill. Rejecting the Senator from New Hampshire's amendment gives additional strength to a farm bill that helps keep price supports in place, that appropriately subsidizes certain crops, that enables the sugar industry to continue to flourish in Louisiana and throughout the Nation and, most importantly, protects jobs that are so important to our Nation at this particular time.

We have other challenges. We have trade issues that have to be worked out, but this amendment offered by Senator GREGG should be defeated.

I am happy to join my colleagues in support of that effort.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. I rise in opposition to the Gregg amendment. In my opinion, this is a terrible amendment. Essentially it abolishes the sugar program and significantly injures a good many family farmers who are struggling under ordinary circumstances to try to make a decent living.

I will try to correct some of the misconceptions about the sugar program. First, I thought I would point out that this debate is about this.

This is the fun-sized Baby Ruth candy bar. This debate is about candy corporations versus family farmers.

I intend to eat this Baby Ruth when I am finished. That is why I don't have a large, full-sized Baby Ruth. This is a fun size. Let me read for a moment the ingredients of this candy bar.

For the corporation that makes it, I am not casting aspersions upon your product. Since I intend to eat it, I would be telling people it is a pretty decent product. Let me describe what is in it.

Ingredients: Sugar. That is not in bold type, it just says sugar. That, of course, misses the point. There is a lot of sugar in this candy bar. That is what this debate is about. This debate is about the price of the sugar that this company is paying for and putting in this candy bar.

What else is in this candy bar? Although this debate is about sugar only, I thought it would be useful, perhaps, to read the entire list of ingredients: Roasted peanuts, corn syrup, partially hydrogenated palm kernel, coconut and soybean oils, high fructose corn syrup, dextrose, skim milk. And then emulsifiers—with a couple of emulsifying words I cannot pronounce—and artificial flavors, TBHQ. Maybe I won't eat this after I finish; maybe I will. Emulsifiers: Artificial flavors, carrageenan, TBHQ, and citric acid to preserve freshness. Then they have added caramel color.

So that is what is in this little old Baby Ruth. This issue is about the sugar, the first ingredient in this candy bar.

This amendment is not new. We have had this amendment time and time and time again because those who produce candy in this country, among others, want a lower cost of sugar.

Let me ask the question. Has anyone noticed recently that the price of candy bars has decreased? Go to the store, go to the candy counter and pick out a bar, any bar, and ask yourself, has there been a reduction in the price of that bar? Maybe a 10-percent cost reduction? Maybe 20? Maybe 30? Maybe 40? Anybody see any of that? I don't think so. Same candy, same price or higher price, but they are paying less for sugar.

Who gets the benefit of that so-called less for sugar? Those who receive lower



prices for sugar are the families out there in North Dakota and Minnesota and the Red River Valley who are producing sugar beets. They are good, hard-working honest folks. They produce a good product. They plant those beets and they hope very much they will get a decent crop. When they get a decent crop, they hope, through their marketing mechanisms, they will have a decent price.

But you know what has happened to the sugar producers and beet producers and cane producers and so on? The underlying farm bill has been so poor, so badly constructed in the last 6 or 8 years, that farmers, because the underlying farm bill for other crops has been so poor, farmers have planted more in beets. That is the fact. It relates, of course, to the underlying Freedom to Farm bill, which has been a terrible failure. But it is not just that there has been some additional acreage planted. That is not the issue that drives this today. We have had some price problems but that is not the issue that is driving all this.

Let me give an example of what is driving it. It always comes back to this, it seems to me. We have a circumstance where, for example, today, on Wednesday, we are going to import sugar from Brazil into this country. It is not supposed to be coming in. It is highly subsidized by Brazil. And Brazil ships its highly subsidized sugar to Canada. Then they load liquid molasses with Brazilian sugar and ship it into the United States in contravention of our trade laws. It is a so-called legal way of cheating. It happens in our trade laws virtually all the time and nobody can do a blessed thing about it.

So those who are farming out there in the Red River Valley, trying to produce beets, and hope beyond hope they can support their family and get a price for their beets, they take a look at this and say, what about this cheating in international trade, this so-called stuffed molasses?

I hold up a Baby Ruth. We all know what a Baby Ruth is. Has anybody ever eaten stuffed molasses? Stuffed molasses is a term of art in international trade that means someone has taken Brazilian sugar, ran it through Canada, added it to a liquid and moved it to the United States, taken the sugar out of it, and moved it back to Canada. It comes back again and again and again. All it is is a transport for Brazilian sugar which is unfairly subsidized, and that cuts the legs out from under our producers and nobody wishes to do anything about it.

I wish someone would come to the Chamber with half the energy with which they come to the Chamber on these kinds of bills to try to get rid of the sugar program and cut the legs out of our producers, I wish they would come to the Chamber with that energy and say, let's stop the cheating in international trade.

Let's stop the stuffed molasses, stop it dead. It is cheating, it is unfair, and undercuts American producers.

When we are talking about trade, does anyone think of the farmer in Minnesota or North Dakota who is out there trying to raise beets, that their responsibility is to compete against Brazilian producers who are being unfairly subsidized? Is that trade that is fair? I don't think so, not where I come from. In my hometown, we understand what fairness is. We grew up understanding the definition of the word "fair."

What is happening to our farmers in international trade, all of our farmers? And I can go through long lists dealing with the issue of durum wheat in Canada and others, but let me focus on this issue of trade in sugar to demonstrate how unfair it is to American producers. Yet we do not have any energy coming to the Chamber, except those of us who have been trying desperately to write a law which prohibits that molasses coming down here under the term of "stuffed molasses." That is simply a liquid truck to bring Brazilian sugar into this country to hurt American producers.

We have had people say today that the world price for sugar is way down here. The U.S. price for sugar is way up here. I guess they just miss the facts about how sugar is both produced and then marketed around the world. Almost all sugar around the world is traded by contract, country to country. That which is not is the residual amount of sugar surplus that is dumped on the open market at an artificial price. It has nothing at all to do with the market value at which sugar is selling or is being bought and sold. It has nothing to do with that.

So we have people come out here with a chart with a price that is irrelevant. It is just irrelevant. If this were automobiles, that would be the salvage price but it is irrelevant to what a new car is selling for.

On the issue of price, let's put that to rest once and for all. The price for sugar is the price at which sugar is traded internationally and predominantly the price at which it is traded internationally by contract is not at all related to the dump price that has been alleged as the world price by those who offer this amendment.

Let me hold up a couple of charts that other of my colleagues have used as well. Some say, well, this really doesn't matter. All that matters here is the price of sugar in the grocery store. The fact is, what matters is that this is an important part of this country's economy. It provides over 400,000 jobs, a good many of those jobs in North Dakota and the Red River Valley, men and women who have a dream to run a family farm and make a living, and they expect public policy to support that. They expect public policy

to weigh in in their favor against unfair trade.

Instead, too many bring public policy to the floor of the Senate that says let's give the candy corporations a little more benefit and take it away from those who are trying to run a family farm. I have nothing against candy corporations. I eat candy—probably more than I should. As I said, I intend to eat this piece of candy. But the candy corporations have done right well. What has happened is they have seen a substantial reduction in the price of sugar and they love it. They have seen a substantial increase in their profits and they enjoy it, but has the consumer seen any evidence that the price of sugar is lower than it was? No. This is a transfer from the pockets of those running a family farm trying to produce sugar beets to the corporate coffers in the accounts called "profits" in the pockets of some of the largest candy companies in the country. That is what it is. It is revenuesharing. It takes from those who have not and gives to those who have.

When you strip away all the pieces of this debate, this dispute is very simple at its core. This industry produces a great many jobs in this country. It is important to this country. It faces fundamentally unfair trade, and it has a sugar program that for many, many years has worked, contrary to other farm programs that have been miserable failures. Now we have had, routinely, people come to the floor of the Senate to say we want to take apart that which works. It doesn't make any sense to me.

The producer prices for sugar plummet. The wholesale refined price for sugar—you see what happened, a 23.4-percent reduction.

I asked the question about the candy bar, but let me ask it about a box of cereal. That cereal aisle in the grocery store is a wonderful aisle. It has so many different kinds of cereal these days you can hardly stop to see them all or understand them all. There are just lots and lots of boxes of cereal.

When I take my kids to the grocery store with me, they know all those names. They have seen them advertised. They want to buy the most byzantine boxes of cereal I have ever heard of. Occasionally they sneak them into the grocery cart.

Has anyone ever seen a reduction in the price of cereal as a result of a reduction in the price of sugar? I don't think so. Has anyone seen a reduction in the price of cookies or cakes at the retail level? No. They are heavy users of sugar. How about other bakery products? What about ice cream? Is ice cream selling at a substantial reduction? Of course, that is a tremendous carrier of sugar as well. No. I don't think so. What about doughnuts? Is the price of doughnuts down because the price of sugar has plummeted? I don't

think so. I think the price of doughnuts is up. I think the price of candy bars and cookies is up, including the profits of candy manufacturers who now want more. They want more. This is not enough. They want more.

They want to kill the sugar program. The answer to those interests that want to do that is, you are not going to be able to do it—not today, not tomorrow, not next month, and not next year. This is a program that works. It is constructed in a way that works. It works for American family farmers and for American consumers.

We have a stable supply of sugar and a stable price. We had it for a long time until the most recent problems that, in my judgment, came about because the underlying farm bill didn't work.

Stability of supply and price serves both the family farmer interests and consumer interests. I think there are other interests here. I admit that. There is the interest of the candy manufacturers, and there are interests of others. But I am most especially interested in the broader question of public interest that reflects those who live and work on our land in this country—family farms—and the interests of the broader spectrum of the American public who want a stable supply at reasonable prices on their grocery store shelves. That is what this issue is about.

I don't disparage those who have offered this. They come from their perspective. They represent the candy manufacturers. Some other interests want lower sugar prices.

I represent family farmers who want a fair deal. All they want is a fair deal. They are not getting it. This amendment would further destroy their opportunity to make a living. We are going to kill this amendment, I hope, in the next couple of hours.

I yield the floor.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). The Senator from Hawaii is recognized.

Mr. AKAKA. Mr. President, I rise today to speak against the amendment being offered by my colleague from New Hampshire, Mr. GREGG, that will terminate the sugar program. This program is a vital subsidy that provides valuable assistance to U.S. sugar farmers and ensures that sugar remains an affordable commodity for American consumers. While we are all facing difficult times, I must remind my colleagues that American farmers are hurting.

We must also realize that should we lose the sugar program in our country, our sugar farmers would go out of business and we would be at the mercy of world sugar. We would be suffering with high prices. We would not be in control of prices, and the American public would be hurt.

United States producer prices for sugar have decreased by close to 30 per-

cent since 1996. Many sugar farmers have gone out of business and a number of beet and cane mills have closed. In the same period, 17 sugar mills have closed. Seven of those sugar mills were located in the State of Hawaii. Today we have just two sugar mills in Hawaii.

Opponents of the sugar program believe that this program is outdated and artificially inflates sugar prices for consumers. In fact, the opposite is true. The program has acted as a cushion against imports from the world dump market. Our sugar program has been successful in ensuring stable sugar supplies at reasonable prices. United States consumers pay an average of 17 cents less per pound of sugar than their counterparts in other industrialized nations. Low U.S. prices save consumers more than \$1 billion annually. Consumers elsewhere around the globe do not enjoy the low prices we have in America. Most American consumers would be amazed at the price of sugar in other industrialized nations, as revealed by my colleague from North Dakota. That is why I say that the sugar program is critical to American consumers.

While the sugar program had a modest cost for forfeitures of sugar loans in 2000, this cost amounted to only 1.5 percent of the Federal commodity program expenditures. These costs will be defrayed as sugar is gradually sold back into the market. Furthermore, U.S. retail sugar prices have remained virtually unchanged for more than a decade and are 20 percent below the developed-country average.

I urge my colleagues to reject this amendment No. 2466. If Congress terminates the sugar program, not only will a dynamic part of the economy disappear from many rural areas, but consumers will also lose a reliable supply of high-quality, low-price sugar.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, I was at a labor rally on the economic recovery plan and lost my voice, but I came back here to speak on this amendment. I have been following this debate a little bit. I wanted to comment on what I heard on the floor.

In that rally there were indeed some steel workers from the Iron Range of Minnesota. I say to my colleague from Minnesota. Basically, the message was this: We are out of work through no fault of our own. We are running out of unemployment insurance benefits, and we don't have coverage for our loved ones, for our children, or for our fami-

lies. I believe this is sort of a test case of whether or not we in the Senate, or for that matter in the administration, care about hard-working people. We are very much a part of our country coming together. In fact, we keep celebrating the firefighters and policemen and others. Now when America's working families really need help, where are we?

I will tell you, any economic recovery plan is just simply, as far as I am concerned, unconscionable without making sure we extend the unemployment insurance benefits to make sure that part-time workers are covered and to make sure we get the health care benefits to these people.

I do not know how we can possibly take these working families and put them in parentheses. We have had tens of billions of dollars of assistance for the airline industry. I look at the House of Representatives, and they have about \$30 billion-plus of tax breaks for the energy companies, including oil companies that made huge profits last year. They want to do away with the alternative minimum tax and give \$1 billion here and \$1 billion to this multinational corporation. They want to lock in these "Robin Hood in reverse" tax cuts, which provide more for the wealthiest top 1 percent. However at the same time we are worried about the Social Security surplus and say we have no money for children, for education, for the IDEA program, for children with special needs, or to help people who are out of work right now.

I will tell you, this is a test case of whether we have "compassionate conservatism" or the heart and soul of my party. Democrats need to fight hard for these working people. In any case, I think that is a transition to this debate because I am hearing a number of my colleagues in this Chamber talking about eliminating the sugar program.

By the way, a lot of our sugar beat growers, as my colleague from Minnesota knows, are independent producers. What is interesting is that this particular sugar program really sets the loan rate at good level, which gives our producers the ability to bargaining to get a decent price in the market, which, frankly, I want for all our farmers, far more than depending on AMTA payments and other direct Government money.

But I have to say to Senators—I have to figure out the right way to say this; if I say "cynical," it sounds as if that is too shrill—but I am skeptical about this commitment to the Food Stamp Program and more funding for nutrition programs. I am skeptical because during the debate on the welfare bill in 1996 that significantly cut food stamp benefits, which, by the way, is the major child nutrition safety net program in our country, and very successful, some of the very Senators who are on the floor today are saying the reason we need to cut the sugar program



is because we need to dramatically expand food nutrition programs. I think this is basically a cynical tradeoff, which will put under a bunch of independent producers and farmers, saying the reason we need to do this is because we need to dramatically expand food nutrition programs. I ask where were these Senators when we had a 30 percent reduction in food stamp enrollment. That was in the 1996 so-called welfare reform program. The fact is these Senators who had not a word to say.

I say to those Senators, where were you? In the committee, Senator HARKIN and Senator DAYTON and I have fought hard for food nutrition programs. Frankly, my bottom line in conference is, anything less than \$6.2 billion in the food nutrition program is unacceptable.

By the way, the House of Representatives, with a Republican majority, has \$3.6 billion for food nutrition programs. That is it. Now, all of a sudden, the very Senators—this is not a one-to-one correlation—but many of the very same Senators I have never seen out here as advocates for expanding food nutrition programs, for expanding the Food Stamp Program, all of a sudden, when it comes to this nifty, clever little way of trading off a farm program that gives producers some leverage in the market price to get a decent price versus the Food Stamp Program, now we have the amendment offered on the floor. This is transparent.

In our Agriculture Committee deliberations, I voted for the higher price-tag of \$10 billion for food nutrition programs. Senator LUGAR has been a good, strong advocate for food nutrition programs. I will say that. There is no question about it. My comments are not aimed at the Senator from Indiana because I think he has been a true champion on this issue. I am talking about a variety of things I have heard from a variety of different Senators. And I see where this vote is going.

But I said in the Agriculture Committee, I refuse to accept this cynical tradeoff of a commodity program that provides some income assistance for farmers and/or provides some leverage for our farmers to get a decent price in the marketplace, especially if they are family farmers—that is, the people who work the land, live on the land—and food nutrition programs.

Now, I along with others will have an amendment later on to target some of these commodity prices. From my point of view, not only can we take some of that for a higher loan rate and a better price for our producers, we can take some of that and put it in the food nutrition programs. Fine. But do not come out of here with an amendment that basically eliminates the program which will eliminate independent producers. In this particular case, we are talking about sugar beat producers, es-

pecially in the Red River Valley and other parts of our State of Minnesota.

Again, I would say that I am a little bit skeptical. I am a little bit skeptical of Senators who are coming out here who I have never heard a word from about cuts in the Food Stamp Program before, and now all of a sudden they become passionate advocates for the Food Stamp Program, if it gives them an opportunity to eliminate a whole bunch of independent producers, family farmers.

Do I think that some of these farm programs are an inverse relationship to need? Yes. Do I want to more target them? Yes. But I refuse to accept in tradeoff that is explicit—not implicit, but explicit—in this amendment that is before us today on the floor of the Senate.

Let me also say quite a few of the Senators who are out here with this amendment, and they can come out here and debate me, but I would bet that the historical record will show this: While we have had, in the past several years, a dramatic rise in the use of food shelves and food pantries, and while we have had any number of different reports that have come out, especially by the religious community, about the rise in the number of “food insecure households”—which is just another way of saying homes where people are hungry, maybe to the tune of about 30 million or thereabouts; I do not remember the exact figure, many of them children—while we have had reports about the dramatic rise of hunger and homelessness in our country, I have not heard one word from many of the Senators who have come out here today, who, all of a sudden, have become champions for the Food Stamp Program, if they can eliminate a farm program that will eliminate family farmers, independent producers in my State of Minnesota.

I say no to that. I hope my colleagues will join me.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAPO. Mr. President, I rise in opposition to the amendment. We have heard a lot of discussion over the years about the sugar amendment and the sugar program in the United States. In fact, as the distinguished Senator from Louisiana indicated, we seem to have this debate on at least a biennial basis. We have had this debate since I have been in Congress, and long before that.

It would seem people in the country, and particularly here in Congress, would ultimately come to recognize what the true facts about this program are. But, nevertheless, we continue to debate it.

I would like to talk a little bit about what really is at stake. There is a lot of discussion about the fact that the United States supposedly subsidizes its sugar and that that is a great cost to

the taxpayer, a great cost to the consumer, and an inequity in international trade.

The reality is, although there is a lot of talk about the world sugar price—and I am going to discuss that in more detail in a minute—it is a trumped-up argument.

The United States, as a matter of fact, has the sugar program because other nations are subsidizing their sugar. The world sugar price, as is so often debated in these halls, is a world-dumped sugar price.

What happens is, most nations that produce sugar produce enough sugar for what is consumed in their nation, and then they have some amount of sugar left over. That sugar that is left over is then able to be dumped on the world market through very anti-competitive and even predatory practices by these nations, where they are subsidizing the sugar production and dumping it into the world market in an effort to basically help their producers gain an unfair advantage against the producers in other nations.

What the United States did long ago was to recognize that if we were to allow this subsidized sugar to be dumped unjustifiably in the U.S. markets, it would drive the price of sugar in the United States unreasonably low and drive our producers out of business, thereby resulting in a capture of the market by these other nations and their producers. What we always see in the economic cycle when that happens is that then the price can go up, as those who have driven out their competitors and the competition can, then more easily control the price.

I show on this first chart what we are talking about in terms of the world sugar dump market price. The world average production cost to produce sugar is \$16.26, and the world market price that we often hear about is \$9.52, which is why we have deemed it the world dump price. What happens is that a price far below the cost of production of sugar is generated by those nations that subsidize and provide other anticompetitive barriers to the proper movement of sugar in a real market. It is this subsidized sugar that would flow into U.S. markets, significantly jeopardizing our producers in a way that would cause many of them to go out of business, that the U.S. sugar program is designed to stop. That is really what is at issue.

The question we must ask ourselves is, Is the United States going to step up to the plate and protect its sugar producers in an anticompetitive world market environment where clearly the competition is out there trying to drive our producers out of business?

Some respond by saying the U.S. sugar producers ought to be able to produce their sugar more efficiently or it really isn't a world dump price, and the fact is that U.S. sugar producers

want to keep their sugar at unreasonably high prices.

Again, the reality is, when we study the nations that have retail sugar prices—I distinguish here between a retail sugar price, the price the consumer pays at the marketplace to buy their sugar—the United States is clear down at the bottom of the developed countries in terms of the retail price paid for sugar in our markets. Our sugar producers are producing sugar efficiently. The price of sugar at our retail level in our markets is very competitive worldwide. In fact, as you can see here, we are clear down toward the bottom. The United States is third from the bottom among developed countries in terms of the low price of sugar.

The argument that our consumers are being hurt somehow by the sugar program is simply false. What is really at stake is that there are those who would like to push production of dumped sugar, of subsidized sugar, and dump that sugar into the U.S. markets to gain advantage.

If you want to look at whether that will cause the price of goods that utilize sugar to go down, you have to look at the marketplace in the United States. Every year we debate this, the argument is made that the sugar prices are unreasonably high because of the sugar program, and if we could get those sugar prices down, we would save the consumers in the United States a lot of money. If you look at what has happened to the price of sugar for the last 4 years, it has come down. It has come down about 25 percent.

We haven't seen the price of products that utilize sugar come down at all. The price of those products has generally gone up over the last 4 years. The savings there have not been passed on to consumers. Those savings, if any, in the reduction of the sugar price in the United States over the last 4 years, have gone directly into the pockets of the producers, those who utilize the lower cost sugar in their products but then continue to sell their products for either the same or an increased price.

The real issue is whether the United States will continue to protect its sugar beet farmers. Right now, talking about sugar beets, the sugar farmers throughout the United States are running at 20-year lows. For the past 2 years, the farmers in the United States are getting 20-year low prices, whereas the prices for the goods that utilize sugar have not come down at all.

We need to debunk some of these false theories or false rumors that have been placed out in the American public about what is happening in the sugar debate.

Another argument that is often made is that the sugar program involves the U.S. Government subsidizing heavily its own sugar to protect against this anticompetitive conduct. There are those who say even though we do rec-

ognize that there are predatory practices worldwide, the U.S. taxpayers should not be expected to be the ones who step up to the plate and protect.

Again, let's talk about the real facts. The way the sugar program works, the sugar producers themselves pay an assessment on their crops to help to fund the nonrecourse loan program that is established to protect the sugar industry. The sugar program basically consists of two very easy pieces: One, a nonrecourse loan; and, two, quotas on imports to protect us from dumped sugar being forced into U.S. markets.

If you look at what the cost to the U.S. Treasury has been as a result of this nonrecourse loan program, you find something very interesting. If you look at the last 12 years, this chart basically covers 9 or 10 years. The U.S. Treasury has gained money because of the sugar program because in each of the years 1991 through 1999, I believe in almost every year prior to that, the assessment paid by the sugar growers was more than was necessary to pay for the cost of the loan program, and the excess went right into the U.S. Treasury. The Federal Government was making money off of the sugar program to the taxpayers, not costing the taxpayers money.

It is true that in the year 2000 that reversed, and the loan assessments were not enough to cover it. And in that year there were costs to the taxpayer as a result of the nonrecourse loan program. We can't say that in every single year there is going to be a benefit to the U.S. Treasury. But we can look at history and historically, in the vast majority of the years, the U.S. sugar program operates at no cost to the U.S. taxpayer. In fact, it puts dollars in the Treasury which we then allocate to other important priorities in the United States.

Whether we are talking about the consumer, whether we are talking about the taxpayer, or whether we are talking about the sugar growers in the United States, the sugar program is a program that is designed for well-intentioned purposes and is working well. There is no reason we should have to go through this debate endlessly, as those who would like to drive the price of sugar down even further in the United States continue to attack the sugar program.

I encourage my colleagues to oppose the amendment to strike the sugar provisions from this bill.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DAYTON. Mr. President, I associate myself with the remarks made by the Senator from Idaho and by the two Senators who preceded him from Minnesota and North Dakota. I was not aware until the Senator from Idaho pointed out the history in the sugar program, but I think this testimony today certainly underscores the bipar-

tisan support for this program and also the benefits not only to sugar beet producers in these respective States but, as Senator CRAPO has pointed out, to the American people.

I see no one else is here right now so I thought I would take a moment. I have been asked by the chairman of the Agriculture Committee, Senator HARKIN, who is managing this bill, to sit in for him briefly because he has to chair a conference committee on one of the appropriations subcommittees. In baseball terms that is called "reaching deep into the bench" to put me in that position. It does give me an opportunity to speak for a moment about the superb job which the chairman, Senator HARKIN, has done in leading our Agriculture Committee and also in bringing this bill to the floor.

As the Presiding Officer knows, since he and I were both on this committee for this first year, we have had the good fortune to serve under two very distinguished and outstanding chairmen of the committee. Senator LUGAR from Indiana, when we first joined the committee, provided magnificent leadership. His longstanding commitment and concern not only to American farmers and to setting the right policy for American farmers is evident, but also his deep support for the nutrition programs and benefiting children, consumers throughout this country.

When Senator HARKIN became chairman, I had the opportunity then, along with the Presiding Officer, to watch him provide the same kind of outstanding leadership. He has had the responsibility to bring this bill through our committee and to the Senate floor. I can honestly say, after watching him over the last couple months, one of the positions I would least want to assume is that of chairman of the Senate Agriculture Committee. While it has great responsibility and great opportunity to be of service to those States, such as Nebraska, Minnesota, and others, which are so heavily dependent on agriculture, frankly, the work the chairman has performed I think has been nothing short of miraculous, trying to pull together all the agricultural interests in our very diverse country.

We have had some of our differences and disagreements, certainly, but I think they have been more based on representing the interests of the farmers in our particular States than anything else. Maybe some are on philosophy and views on what the Government's role in agriculture policy ought to be. Most of all, we come from 50 diverse States with very different agricultural interests, and we are trying to knit that all together here.

Again, I think Senator HARKIN has been phenomenal in his ability to bring together all the points of view and to reflect not only the interests of his own State of Iowa—which, coincidentally, is contiguous to my State of



Minnesota, so we share many issues in common—but also those interests from all over the country. I think the bill that the chairman brought forward is really remarkable.

I have listened to the debate over the last couple of days. Again, there are many different points of view, and they all have considerable merit. I hear some who are critical of this effort because of the costs involved and the need to provide some of these supports to American farmers and producers, and I sometimes think we have lost the context for this legislation and the reason that we, even in the committee, had to adopt some of these provisions.

As a Senator from Minnesota, where commodities such as corn, wheat, soybeans, and dairy are certainly beneficiaries of these programs, I wish—and I know every farmer in Minnesota wishes and would greatly prefer not to—we did not have to receive any Government payments or subsidies whatsoever—call them AMTA, countercyclical, or whatever. They would much rather make a decent price and get a good profit in the marketplace.

I come from a business family, and I know the Presiding Officer has been involved in business as well. You don't stay in business in this country if you can't make a profit on what it is you produce and sell. That is what American farmers want to do. They are business men and women first and foremost. They love the land and the work they do, but they are in agriculture to make a profit—a sufficient profit to pay for all their equipment, their seed, and other investments, and to get a fair return. Most important, they want to be able to provide for their families.

Something strikes me as terribly wrong in this country when these hardworking men and women—America's farmers—want to spend their lives and devote their careers to feeding the people in our country and throughout this hungry world, yet they can't make a decent profit on what it is that they themselves produce. I know farm families in Minnesota where the families and their children are literally going hungry because they can't make enough producing commodities to be able to buy what they need for their own families.

That is the crisis we have seen in the past. I think we have seen it clearly—at least speaking from Minnesota's perspective—get worse and worse under the current farm bill. It was put together with all the best intentions. I don't think there was anybody in the Senate or in the House 6 years ago, when this bill was put together, who had any intention other than to best serve the interests of American farmers and the American people. But the fact remains that in the aftermath of that legislation, the decoupling of prices from payments and setting up of AMTA payments that were based on

pre-1996 levels of production has essentially locked in historical production, as well as the payments made according to the size of these farm operations, and that is, prices declined for many key commodities, and in subsequent years Members of Congress from both parties came back and agreed together, under the administration of the former Democratic President—so this was bipartisan—they came back together year after year and authorized these emergency payments.

Last year in the United States, the Federal Government was the largest provider of financing and income for American farmers. In some States, including parts of my own, net farm income in these areas was less than the amount of the Federal Government payments in support of these commodities. In other words, in the marketplace the farmers lost money. If they had not received these Government payments, they would have been out of business. That is again why, from my perspective, the Congress, and the administration, year after year, acted as they did, because they knew if they did not do so, given the market prices that were not just through the floor; they were in the sub-basement, the farmers would be going out of business. If they hadn't acted as they did, Minnesota farmers, by the thousands, would have been out of business.

Therefore, if we don't act as we are today, if we were to say take away all these subsidies and let's return the dollars and use them for some other purpose, that would absolutely bankrupt farmers in Minnesota and, I believe, throughout significant parts of this country.

So the goal of Chairman HARKIN's work and our work on the committee, as I view it, has been to take the predicament in which we find ourselves today with American agriculture and say how do we move ourselves out from behind this economic eight ball that we find ourselves behind and move forward in a way that restores some of the market prices, at least if I had my way, to levels that are such that farmers could make a good price and profit.

Even though we dodge that issue in this country, frankly, there are forces—and some have been referred to by some of my colleagues—who prefer to see the price that goes to the farmers themselves as low as possible, and who benefit from having low market prices for basic commodities because then, through the processing and the transport and retail and the like, they have a greater margin for profit in their own enterprises, striking that balance so that the American consumer, at the end of that, still pays a reasonable amount, which the consumers do today—remarkably less of their total family income as a percentage for basic food than virtually any other country in the world, because we

have an efficient agriculture system, one that overall provides food for the consumer at a low price, providing for quality as well.

Those who want to keep prices low—and we have had this discussion in the Agriculture Committee, the Chair will remember, with the Secretary of Agriculture, where I asked the Secretary, because there are some in that administration and part of that Department who reportedly, from what I have read of their remarks, think the prices should be kept fairly low, should not get too high, because then it would have a negative effect on our efforts to expand trade and the like.

So I asked the Secretary if she could provide for us what are the target market prices for these commodities that the administration thinks are in the best interests of American farmers, as well as trade and everything else. I have not yet received an answer to that question that I raised some time ago.

So to lay all the cards on the table here, clearly, as I say, there are many competing forces, and Chairman HARKIN, in my view, has done an extraordinary job of balancing them and putting this bill before us. I might say the same about the conservation title. I know Senator HARKIN and other Members have worked closely on that. He has been working on these new initiatives in conservation for the last couple of years. I know because I had an opportunity—and some of the environmental groups and farm groups in Minnesota told me even before I took office about how they have been working with Senator HARKIN and with his excellent staff for the last couple of years framing these conservation programs.

Senator HARKIN recognized that we have already in current law—through, again, bipartisan efforts and with bipartisan support—such very important conservation programs as CRP, WRP, the ways in which we have encouraged farmers and paid them through Federal funds to set aside lands that are probably better off not being in agricultural production—they may be marginal for that purpose; they may have environmental issues with extensive farm production—and where we therefore make it possible financially for farmers to do the right thing. What they would like to do is act as stewards of that land and to go ahead.

So we have seen those programs. They produce wonderful results and support the men and women in my State of Minnesota and across the country—environmental groups and farmers. This is one of those times when people from all different interests, backgrounds, and perspectives seem to agree that, again, within the right balance, setting aside this amount of acreage has been in the best interests of our country.

These are Federal Government programs that have worked for farmers

and environmentalists. They have worked to preserve our resources. They have worked for sports men and women, fisher men and women, and hunters.

Senator HARKIN wanted to focus in particular on those farmers who have land in production but who themselves, especially during these times of economic hardship, would like to undertake some improvements for conservation purposes and do not have the resources, sometimes even the technical know-how, to do so.

He crafted this new conservation program, the Conservation Security Act, which is a major component. It should be called the Harkin Conservation Security Act, to give due recognition to the leadership he has provided in support of farm organizations, environmental groups, and others in Minnesota and elsewhere in the country.

If we initiate a new approach which is successful, I believe it will be a tremendous cornerstone of our nationwide conservation efforts by providing farmers with funds and working with them and with people with expertise in farmland conservation so they can bring more of their agricultural production into the best conservation practices known and provide them with funds to do so. I think that is an extraordinarily important part of the legislation.

Finally, Mr. President, since I have the opportunity, I want to say how important I think the energy title of this legislation is. Again, I commend Senator HARKIN for his leadership in this area as well. He has been one of the champions in the Senate for a number of years in taking our agricultural commodities, such as corn, which is certainly prevalent in his State of Iowa and my State of Minnesota, and using corn for purposes of ethanol production, providing what is a winner all around, providing an additional market for domestic commodities so we raise the prices, as I said earlier, in the marketplace, and providing for cleaner fuel as an alternative, as a substitute for some of the hydrocarbon additives. Ethanol is an enormous contribution to a cleaner environment across this country, and also to domestic oil reserves.

I look forward next year to working in the area of expanding the use of soybeans for diesel fuel as an additive, and I know Senator HARKIN has been willing to take the leadership, along with myself and others, in that area as well.

Again, I commend the chairman. I certainly commend the ranking member as well, but I think through the chairman's hard work especially, we have a bill today I am very proud to support.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, when I saw the Senator from Minnesota was speaking on the farm bill, I wanted to come and thank him publicly for the role he has played as a new member of the Senate Agriculture Committee.

The Senate Agriculture Committee deals with some of the most difficult issues when we are dealing with a new farm bill. This has been a debate that has extended over a long time. I point out that the Senator from Minnesota, as a new member of the Senate Agriculture Committee, in my judgment, has become one of its most thoughtful members. We saw that with respect to the amendments he offered and his debate, both in the public sessions and also the sessions in which there were only members discussing how we would proceed.

I thank him. It is awfully good to have a new colleague from a neighboring State who has done his homework on the issues in this farm bill. I believe that is the case with the Senator from Minnesota. I commend him for the role he has already played.

One of the things that happens around here is you develop respect based on your credibility, and the Senator from Minnesota I think has laid a basis that will serve him well for many years to come in the Senate.

I would be remiss if I did not acknowledge the role of the current occupant of the chair as well who is also a new member of the Senate Agriculture Committee, the former Governor of the State of Nebraska, almost a neighbor to North Dakota, but someone with whom we have shared interests and somebody who has played a very important role as well in bringing this farm bill before the Senate.

We can acknowledge there were many who said we would never be here. There are many who said we could not get a bill through the committee this year, we could not get a bill on to the floor of the Senate. Now they are saying we cannot get it out of the Senate. We will see. We know there are those who are opposed to moving this legislation this year. I think they are badly in error. Let me say why.

We are faced with the lowest prices in 50 years in agriculture. In October, the price review for agriculture came out, the so-called producer price index. It indicated the biggest drop in prices that farmers received in 91 years—the biggest monthly reduction.

Our major competitors are not waiting. The Europeans have clearly a plan and a strategy they are pursuing and pursuing aggressively. They are already providing their producers nearly 10 times as much in per acre support. They are providing 28 times as much in export subsidy to take markets that have traditionally been ours. They hope we are asleep. They hope we will not act. They hope we will debate this bill to death and not move forward.

I hope they are wrong. I believe they will be proven wrong. It is incredibly important to this country that they are wrong because if Europe prevails, if they are able to maintain this differential in which they are continuing to grab market share that traditionally has been ours—remember, in the last 20 years they have gone from the biggest importing region in the world to the biggest exporting region. They have done it in 20 years. They have done it the old-fashioned way: They have gone out and bought these markets.

We in this country will regret it for a very long time if we lose our world dominance in agriculture. We are very close. The stakes are enormous, and this farm bill is the test. I hope we pass it.

I thank the Chair and yield the floor.

Mr. INOUE. Mr. President, I rise to strongly oppose the Gregg amendment, which would essentially abolish the sugar program and place the remaining two sugarcane producers in my state out of business.

Hawaii cannot afford the dramatic increase in unemployment that will result from the shutdown of the remaining sugar operations. Sugar supports much of the employment base on the Islands of Kauai and Maui. If there is no relief to sugar prices, approximately 300 to 400 sugar and related workers will become unemployed. For a small island economy, this would be an enormous loss of jobs at a time when there are few alternative employment opportunities in the state. The sugar industry in Hawaii has declined to about one-third of its size compared to five years ago, and the remaining operations can remain globally competitive only as long as the U.S. sugar program is in place. The U.S. sugar program provides a cushion against imports from the world dump market, where prices have run about half the world average cost of producing sugar for most of the past two decades.

U.S. producer prices for sugar have been running at 20-year lows for the last two years, and it is extremely difficult for our producers to compete because sugar production around the world is heavily subsidized. Because of foreign subsidized surpluses the world dump market price has averaged, for the past decade and a half, only about half of the price it would have been in the absence of subsidies. For example, the European Union (EU) has transformed itself from one of the world's biggest sugar importers to one of the world's biggest exporters with extremely generous producer subsidies. The EU subsequently unloaded its surplus sugar onto the world dump market with massive export subsidies. Some 6 million metric tons of subsidized sugar is dumped on the world market each year, for whatever price it can bring in.

The U.S. sugar policy was a net revenue raiser of \$279 million from 1991 to



1999. The sugar provisions in S. 1731 allows American sugar farmers and producers to compete on a level playing field against foreign sugar farmers. I urge my colleagues to defeat the Gregg amendment.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, a couple of hours ago, I came to the Chamber and indicated we needed to move this legislation along. We have not moved it very far, although this has been a stimulating debate on the topic of sugar.

I have spoken to the Republican manager Senator LUGAR, and he has indicated he wants to speak, Senator ENZI wants to speak. And I see my friend from Arizona. I do not know if he has had an opportunity to speak yet. I say through the Chair to the Senator from Indiana, I do not know if the Senator from Arizona has spoken. I have not been in the Chamber all day. He may want to speak.

It appears not.

When Senator LUGAR finishes his statement and the Senator from Wyoming finishes his statement, I will move to table this amendment.

I also say to the manager of the bill for the minority, I hope sometime this afternoon we can have a cutoff for filing of amendments. If we are not able to determine how many amendments there will be and some time for a filing deadline, it appears people are not serious about moving this bill along.

I look forward to the next vote, and we can talk to the two leaders at that time.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I say to the distinguished colleague from Nevada in response, it is indeed my impression that following the debate on the sugar amendment, Senator DOMENICI wishes to offer an amendment, and then Senator BOND from Missouri will come in, and then Senator MCCAIN.

Mr. REID. That sounds good.

Mr. LUGAR. At least we know there will be some activity. I want to speak on the sugar program. For the moment, I am prepared to yield to my distinguished colleague from Wyoming because I will be here for quite awhile, and to conserve his time so he might be heard, I yield the floor, and I will ask for recognition again.

The PRESIDING OFFICER (Mr. CARPER). The Senator from Wyoming.

Mr. ENZI. Mr. President, I rise in opposition to the Gregg amendment which is to phase out the sugar program. The goal of U.S. sugar policy is for our producers to provide a consistent supply of inexpensive sugar to consumers. We have met that goal. Sugar is an important part of almost every food product. The U.S. sugar policy has provided food manufacturers with an unwavering supply of sugar without cost fluctuations. All con-

sumers have benefited from this steady supply. The U.S. sugar policy has allowed producers in Wyoming and other States to provide for the country's sugar needs without going out of business.

The Senator from New Hampshire claims the U.S. would be better served if we purchased our sugar from the world market. I will not deny the prices for sugar on the world market are less expensive than the current U.S. sugar prices. It is important to note that the world market is a dump market. It is comprised of surplus sugar from subsidized countries.

Countries such as Mexico supply the world market. Mexico now has an average overproduction of 631,000 pounds. Even though 250,000 pounds of that surplus production is accepted into our market under the NAFTA side level, the Mexican Government recently bought and paid the debts on almost half of the sugar refineries in Mexico. If that is not subsidization, I don't know what is.

I met with the folks from the Mexican senate yesterday. They were in the United States to talk about sugar. I had to remind them of their overproduction, and if the world market opens up it will grow even greater. I had to talk to them about the NAFTA side letter so that our high fructose corn syrup can go to Mexico and eliminate some of the overage we have here.

I know for a fact some of the people who served in this body at the time that NAFTA came up only voted for NAFTA on the basis of that side letter. That side letter is now not being recognized by the Mexican Government.

They are creating a crisis in America, a crisis in Wyoming. The sugar beet growers in Wyoming are working desperately to make their product work, to make sure there is an even domestic supply. We shifted all of our energy supply overseas—not all, but a good deal of it. You can see the crisis that this is causing at the present time in this country. Should we do that to sugar too; get rid of our local producers and have those countries in the other parts of the world ban together to control the price of sugar and make us pay through the nose for sugar? I don't think that is a very good idea.

Our sugar producers in Wyoming are coming up with alternate ways to make their production work better. One of the ways they are doing that is to buy the refineries. They are not asking the Federal Government to buy the refineries. They are buying the refineries. They are forming co-ops and putting their land up against the refinery. Why? They get a little bit of profit off of the sugar, off of the production of the sugar. They will get another little bit of profit off of the refining of the sugar. If they can put together enough of the different layers that are presently going to other people, they will

be able to make a living from the sugar.

Don't be fooled by the glut of sugar in the world market. The price may be low now, but I guarantee that will change. As soon as the U.S. accepts this amendment and begins buying from the world market, the price for sugar in that market will rise. We will be left at the mercy of the world market because our growers will no longer be in business.

In Wyoming alone, the Main Streets of at least four rural communities would become ghost towns. They will no longer be able to meet the needs of our own country. While sugar beets remain the No. 1 cash crop in Wyoming, the price farmers receive for their sugar is at a 20-year low. That shows the dire situation all agricultural producers are in this year. The companies that refine the sugar beets into sugar in Wyoming can no longer afford to remain open.

The farmers in my State and others have banded together to try to purchase the refineries. They are attempting and fighting to do everything they can to remain viable and competitive. These are not farmers waiting for the U.S. Government to bail them out; they are fighting for their own future.

The Senate should defeat this amendment. We should continue to support sugar beet and sugarcane farmers just as we support all farmers who produce agricultural commodities in the United States. The sugar program portion of the total net outlays for all commodity programs from 1996 to 2001 was only .19 percent, a small cost to maintain a steady supply of sugar to our consumers and to provide for communities that rely on the sugar community.

This becomes a domino effect. We talked about the problem with airlines and how people rely on airlines. If you are in a small community, one of the four small communities in Wyoming that rely on sugar beets, when the industry goes down, the whole economy goes—I don't care how well the airlines are flying. They are not asking for the United States to buy the sugar refineries as they have in Mexico. They are just asking for a fair chance at their economy and a little longer to develop these co-ops. I hope Members stick with us on the sugar amendment.

I yield the floor.

Mr. REID. Mr. President, I ask unanimous consent that following the statement of the Senator from Indiana, Senator BURNS be recognized for up to 15 minutes to speak on this amendment; Senator CRAIG be recognized to speak up to 15 minutes on this amendment; and that I then be recognized. I will move to table the underlying Craig amendment.

Mr. LUGAR. Reserving the right to object, my understanding—perhaps

someone can advise me—is that Senator GREGG wanted to make a final argument. Could the leader offer at least a proviso of time for Senator GREGG?

Mr. REID. That is appropriate, and I also ask unanimous consent that there be no intervening amendment prior to my motion to table.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Indiana.

Mr. LUGAR. Mr. President, I rise in support of the amendment offered by my distinguished colleague from New Hampshire, Senator GREGG, which, as has been pointed out by all speakers, effectively phases out the subsidies provided under the existing Federal sugar program.

Apropos of the comments made by my colleague from Wyoming, almost all farmers are supported by some program, as I attempted to point out this morning, and only about 40 percent of farmers in our country receive any benefits from all of these programs. I appreciate that colleagues find this difficult to believe, but nevertheless it happens to be the case. It is the case because historically programs arise attached to very specific crops. In the case of the row crop of wheat, corn, cotton, and rice and the evolution of things, soybeans have come into that category and there have been very special programs over the course of time established for sugar or peanuts, for tobacco, for wool and mohair. In due course, programs have come up largely through a sense of equity and disaster areas that have somehow touched upon so-called specialty crops.

But after all is said and done, the farm bill essentially is a focused bill historically on program crops. Sugar is one of these. As a result, those who are involved in the sugar program are among the 40 percent who are beneficiaries as opposed to the 60 percent of American farmers who are not.

Having said that, in the amendment I offered this morning I did not offer discriminatory comments with regard to the sugar program any more than other programs. Rather inclusively, I suggested that \$1 of revenue from sugar ought to be treated the same as \$1 of revenue, say, from honey or from wool or whatever. That would be true, in my judgment, for sugar farmers. If the farm does only the production of sugar, that is going to be the only item in the list. But, nevertheless, that sugar grower would have been entitled to a 6-percent voucher on the first \$250,000 of value, 4 percent on the next \$250,000. Admittedly, that would bring a certain amount of discomfort to a very small number of sugar growers.

But, as Senator GREGG pointed out, a very small number receive 40 percent of all the money in the sugar program, as is the case again and again in agricultural programs as they are now.

They go to a minority of farmers to begin with. A very small minority of that minority receive a disproportionate amount of the payments—such as, in the totality of things, 47 percent of payments going to just 8 percent of farmers.

The sugar distribution is even more pronounced, with a vengeance. Therefore, the amendment Senator GREGG offers, a phaseout of these sugar subsidies over the course of a period until we get to zero in the year 2006. There is a transition that phases into the world market that has been discussed. I will touch upon that. It offers, at least, a glidepath out of this, given the fact we are not going to have a whole farm view but continue with very specific commodities because the program has had very unfortunate results, as Senator GREGG has detailed and that I want to underline.

In essence, his amendment would phase out the so-called loan rate for sugar beets and sugarcane, reducing it to zero. Marketing allotments and quotas for both sugar beets and sugarcane would be eliminated beginning with the year 2003 crops. Senator GREGG's proposal would make the funding offset of approximately \$1.2 billion over 10 years, according to CBO estimates, available to lift the shelter cap in place in the Food Stamp Program. So, in essence, Senator GREGG is moving this money, which is going disproportionately to very large sugar growers, to nutrition programs for the poor.

Eliminating this cap, as the Senator points out, will help a large number of families whose actual housing and utility costs put them in a situation of choosing between shelter and food.

This morning, as we discussed my amendment, I chose to offer a solution of roughly doubling the amount of money over the course of 5 years in food programs. Senator GREGG goes about this in a different way, given the loss of my amendment this morning.

The Senate committee bill maintains, as it stands, many of the current sugar program provisions and, in fact, provides additional benefits that proponents have required as well. It eliminates the marketing assessment on sugar, reduces the CCC interest rate on pricing board loans, authorizes a payment-in-kind program, reestablishes the no-net-cost feature of the program, and provides the Secretary with authority to implement allotments on domestic sugar production.

The loan forfeiture penalty on sugar also is eliminated. The taxpayer cost of all of this is expected to be about \$530 million in mandatory new spending, above baseline, during the next 10 years. This is the CBO 10-year score.

I mention that because there has been considerable discussion. Whatever may be the merits or demerits of the sugar program, the costs to the tax-

payers is de minimis. Albeit, a small problem in the past year, but nevertheless this was an aberration, as suggested. But it is no aberration when CBO scores the sugar program in the Harkin bill as \$530 million. That is real money, taxpayer money over the next 10 years. This is hardly a harmless procedure.

There has been long debate about the effectiveness in the administration of the program. I wish to touch upon some of those problems as an illustration of unintended consequences of the sugar program.

The U.S. Government, for many years, as all have pointed out, has subsidized domestic sugar production through a combination of price supports but, perhaps equally effectively, import quotas. That has led to, if we were discussing this in a foreign policy debate, some very serious problems. For example, throughout the 1980s, as this body and the President of the United States seriously talked about democracy in Central and South America and in the Philippines, the sugar situation arose every time. The countries were attempting to help find their way to the ballot box but then, fairly rapidly, due to some type of economic consequences in which the newly elected officials could be supported, they ran up against the fact that we restrict the amount of sugar imports to this country and restrict them rather severely.

A so-called sugar quota system occurred in the world, country by country—literally of how many pounds each country was allowed to ship to us. It mattered not what the price was. The entire situation was carefully regulated. Why? Because those who had formulated the sugar program readily saw that if we were offering stimulus to production in this country at the same time mandating imports from other countries, a collision was going to occur—which has occurred, from time to time. But what also happened was that other countries around the world were prohibited, really, from the economic sustenance that those exports to our country would have meant for them.

So on the one hand we talked about foreign assistance, foreign aid to these countries to shore up their fledgling economies and fledgling democracies, but not through allowing them to ship to us something of which they had surpluses and in fact produced at a fairly low production cost.

Throughout this debate, the production cost, the worldwide cost has been mentioned at approximately 16.5 cents. But that is the average cost. That is almost saying there is some type of average cost for the production of corn in the United States of America, which means maybe approximately half of corn growers are more efficient than that. Some are very much more so, as a matter of fact.



I mention this because some countries have a natural advantage in the production of sugar that we do not have. This is an acquired skill in the United States. Our problem, then, in terms of foreign policy, was exacerbated further, as has been pointed out, when we came into the NAFTA agreement. This is a serious problem on the horizon, not touched upon in great detail today but it would be by anybody in a sugar conference because we pledged to have a fairly free flow of Mexican sugar.

This gets into other internal agricultural disputes because those who are producing high fructose syrup—and this is largely corn growers who are interested in this situation—feel badly treated by the Mexicans. They have protested in about every way, in all the various settlement fora, that they are being shut down by Mexican intransigence. Mexicans are replying: By the way, you are supposed to take our sugar.

So to say the least we have a problem here between corn growers, if we were in that fora, and sugar growers. Likewise, our treaty obligations somehow are in some disarray when it comes to this issue.

In any event, domestic sugar processors have benefited from price support loans that guarantee them at least two to three times the world price of sugar and sometimes more.

We touch upon, once again, this price of sugar. And others have pointed out that the true average of 16.5 cents is the world price. I took a look at the Wall Street Journal this morning, and it is now somewhat less than 8 cents. It has not been a good week for sugar.

The proponents at least of the sugar program point out that this is so-called dumped sugar and that what I and others don't understand is countries and big users contract with each other. Presumably the idea is that they contract at some price that must be adverse to their situation because clearly it must be higher than the world price. Apparently, do this year after year, and keep on doing it regardless of how far above the world price it is.

For a commonsense listener of this debate, that listener might say: Why, just to test out the system, don't you just buy the 8-cent sugar? Why would you want to make a contract at 15, 16, 17, or 18 cents? The sophisticated sugar producer might very well say: Well, because that is about what it cost. And, by and large, that is where the bulk of it is if you have a big contract. You really need a lot. You need a certainty of supply. You need continuity of management, and so forth, as some have pointed out, and long-term contracts. But you don't look at the daily posting in the Wall Street Journal. But if you have something out there, I understand that.

We have sophisticated discussions about sugar prices that involve all of these aspects of certainty.

With regard to the pricing of various commodities, in my farm experience from time to time the starch company has suggested that, if I would guarantee a flow of corn month by month, which means that I would bear the storage costs and the problems of transportation and marketing, and what have you, they would be prepared to pay a premium for every bushel of corn well above anything that I could sell it for in the futures market, for example. Why would they do that? Because a guarantee of a certain number of thousands of bushels month by month with a fairly short haul and certainty in the neighborhood is valuable to them.

I can well understand why people would come to contractual agreements on sugar that might be above the fluctuations of the world market at some point. However, for the domestic consumer of sugar—this includes others well beyond candy companies or those who are commercially involved in these operations—it would be attractive to consumers in the United States if they could consider the possibility of buying this dumped sugar. It is as inexpensive as the sugar that was not dumped. As a matter of fact, domestic producers say that would be unfair because our production costs are well above that cost.

One can understand their argument on this despite the contracts which they claim to have made at prices that are much higher in a situation. But consumers are always helped by markets and by genuine competition. There is a lot of it out there.

The suggestion is that somehow if we were seduced by the idea of 8-cent sugar and started buying, that suddenly it would be gone, and that it would be back to 16 cents. That is nonsense. My experience, at least in visiting people all over the world who are involved—in the Caribbean, South America and Philippines—is they have a lot of sugar. It would not just be dumped. It would come in a steady flow, and it would come at a cost that is substantially less than that which is now paid by consumers. We would have tax reductions across the board.

It has the same effect as a drop in the price of gasoline, which we all applaud. No one, to my knowledge, is condemning Saudi Arabia for dumping gasoline on the American market. As a matter of fact, we want them to dump some more—as much as they can. We fear that our good fortune might end at some point; that the cartel might get together and somehow remedy the predicament. But for the moment, as consumers of gasoline, we understand the issue clearly. So should we as consumers understand the issue of sugar, a common substance used by most of us.

I am saying in terms of our standard of living that our situation would be enhanced. It would be a tax cut through the Gregg amendment.

For the moment, however, imports are restricted through quotas that are among the last remaining protection barriers in U.S. trade law. That, of course, means even with our barrier with Mexico with whom we thought we had reduced the barrier—the whole purpose of NAFTA—and despite claims that the sugar program operated at no net cost in fiscal 2000, the sugar program cost the taxpayers—not consumers but taxpayers—\$465 million, according to the U.S. Department of Agriculture. That is a substantial sum of money.

Furthermore, as we have heard, the Federal Government ended fiscal year 2001, the last year we were in, owning 1 million tons of surplus sugar, some of which is now given back to producers as payment for plowing up their growing crops.

USDA projects that by decade's end, the Government will own not 1 million but 4 million tons of sugar acquired through this program—through forfeiture of sugar pledged for collateral for nonrecourse loans under the program.

Senator GREGG has said—and I affirm—that we cannot follow this indefensible path. Under our current international trade commitments, we must soon permit increasing imports and obligations under "WTO" and NAFTA, which, coupled with record high domestic projections, will result in a sugar supply far in excess of demand. A long-term and rational solution must be implemented in the near future.

I compliment the Senator from New Hampshire for at least a bypass solution rather than an abrupt termination. The sugar program, in essence, is a transfer of wealth from many who are not able to pay—low-income persons—to a fairly small group of producers, many of whom are, in fact, very large corporations and wealthy individuals.

We are now talking about the sugar producers—not the candy companies that have been given some criticism for their wealth and their financial means.

Nearly all other farm programs make transfer payments from the Treasury. Thus, the transfers—whatever their merits—bear some relation to ability to pay since they utilize funds generated by the progressive income tax. But the sugar program works just the opposite. Any tax on food places a greater burden on low-income Americans. Thus my point: Any decrease in the price, such as the ability of incoming shipments of sugar at the world market, serves as a tax decrease for the same reason.

The sugar program ultimately must hurt consumers, despite the pledge

that somehow stability is maintained, somehow that a moderate price is maintained, as opposed to prophecies that the price literally would take off if we were going to buy in the world exports at 8 cents.

Finally, I would just say, simply, the price of all food that contains sugar would be affected in addition to the raw product. Sugar growers' own statistics show that in developed countries with access to this world-priced sugar—and I cite particularly our friends in Australia and Canada; these are countries that really have not been so inhibited in utilizing the world-priced sugar at these prices—retail prices in Canada and Australia are lower than in the United States.

Only countries with protectionist sugar regimes—and that would include the European Union, of course—have consumer prices that are higher.

If this were entirely an economic debate, it would be serious enough because we are talking about consumers all over the country in what amounts to a tax increase. And now this is augmented by actual Treasury payments in the hundreds of millions of dollars.

Senator GREGG touched upon the Everglades. Let me go into this further.

Sugar production on approximately 500,000 acres at the top of the Everglades has substantially contributed to the environmental degradation of the Everglades. In 1996, the Senate Agriculture Committee supported the inclusion of \$200 million in that year to purchase lands in the Everglades agricultural area, simply to help in the process of restoration. This was a bipartisan effort and one which Florida Governor Bush called "the linchpin of Everglades restoration."

From my personal experience, for a variety of reasons, I was campaigning in Florida that year and was made well aware of what was a collision of cultures, so to speak. A very huge number of Floridians described the situation to me in detail. I went to the Everglades to see this degradation for myself, as well as the sugar plantations and all that was involved.

People could have rationalized, in times gone by, that, after all, human beings should be supported in agriculture, that the spoilation of whatever was there had happened elsewhere in our country at various times in history, that it was too bad if additives to the crop: fertilizers, chemicals, what have you, floated downstream and even got offshore and created all sorts of ecological difficulties; that is the way it goes. And to seriously talk about winding this up, at this point in history, even if it meant that you could never restore the Everglades, or even the waterways of Florida, was really beside the point.

But for many Floridians it was not beside the point. As a matter of fact, they proceeded to a very tough ref-

erendum campaign that was decided ultimately by a very narrow margin in favor of the sugar growers, not those who were in favor of restoring the Everglades.

Thus, as a result of that debate, and in part because many of us in the Nation as a whole believed that this is a very important environmental project, the Congress has come into it in a big way to try to work with those in the State of Florida who still, in a fairly modest way, are trying to wind up the worst of the predicaments and wrestle with the history of the past.

Let me just make the point, Members who are thoughtful about this sugar amendment need to think about the economics. I appreciate the problem is the Everglades, not North Dakota or Minnesota or sugar beets in the North. One cannot describe the same environmental catastrophes to those, and yet they are caught in the same economic problem. But we really need to consider the expenditures that are now going to be involved as the Congress, the President, and others, including the Governor of Florida, have become not only aware but determined, really, to turn around the course of history which ecologically has been disastrous in this situation.

Clearly, we ought not to be doing, in this bill, what we are doing, I fear, with almost every other crop; that is, offering incentives for more production. And that, I fear, we are doing again here. One can say that, after all, what is sauce for the goose is sauce for the gander. If you are going to offer more incentives to corn farmers to plant more corn, why be sparing with regard to the sugar brethren at this point?

I suppose there is a certain rough equity. If you are planning to simply overproduce everything, then, perhaps, consistency gets in the way here. But I would suggest that would be a mistake not only with regard to the sugar program but clearly with regard to the ecological and environmental consequences.

The right move is to wind up the sugar program. Members have pointed out such amendments have been offered seemingly for time in memorial. During the 25 years I have served on the committee, I cannot remember how many sugar amendments have arisen, but they have come frequently, at least one every farm bill, usually with great discouragement to the proponents.

I believe three farm bills back, if memory serves me right, a modest proposal came during the markup around the Agriculture Committee table. A Senator offered a suggestion that the loan rate be reduced by 2 cents. I think even in those days it was 18 cents or 16 cents. The suggestion was 2 cents be subtracted from that. That was roundly defeated. If it got three votes, that may overstate it. How could this be?

Why such support of a reduction of such a modest amount?

The fact is, around the table in the Agriculture Committee—and this is not news to the Senator from Delaware—many of us who are deeply interested in the crops and in the agricultural practices in our States have a feeling we have come to that table to protect whatever is there. Sometimes that is very difficult for Members. The case is tougher and tougher to defend as the years go on, but that does not deter most. Apologetically, we will say: I have to do what I have to do. I can be a statesman somewhere else, but not when it comes to sugar or peanuts or tobacco or even corn.

I understand that. As a result, what I often have observed, in 25 years, is that those who have something to protect, as a matter of fact, make up a very large majority of us around the table. The situation would be—I think simplicity may be overstating this, but, essentially, if you are there to protect tobacco, you call upon your brethren who are protecting sugar or protecting peanuts or wool and mohair or indigo or honey or whatever the program may be—all of these programs have been highly suspect for years. From time to time, some have actually been wound up. There was good fortune in this respect a couple of farm bills ago when I think we finished the honey program. Wool and mohair certainly was gone, but it reappeared, not because of a farm bill but in the dead of night, in an appropriations bill at the end of a session, such as now, the proponents have managed to bring it back. So even around the table, when we make reforms, they do not necessarily stick. Therefore, I admire the courage, the foresight, statesmanship, and the wisdom of the Senator from New Hampshire in trying again today.

He has offered a constructive amendment which is good for America. At some point we really have to think about that. We can become so parochial and so narrow in our focus that we believe that a very few growers of any crop, whether it be sugar or something else, are worthy of our utmost attention.

But Americans generally listening to this debate, I believe, will find the equation I have offered a reasonable one; namely, we welcome the so-called dumping of oil by Saudi Arabia and others; we welcome the lower price of gasoline because our cost of living situation is helped. We would welcome, in my judgment, the purchase of sugar at the world price. We would welcome the fulfillment of our agreement with Mexico because that is so important not only with regard to agriculture but with regard to general trade and prosperity with our neighbor to the south as well as an enhanced standard of living in this country. And we welcome



fulfillment of our WTO obligations because all of us want to export more of the things we do well in our States.

We cannot withhold our obligations to recognize that in other places sometimes people do things well also, and our consumers benefit from those laws of trade.

I call for support of the Gregg amendment and yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Montana is recognized for 15 minutes.

Mr. BURNS. Mr. President, it is hard to follow my friend from Indiana because he makes his argument so sound that it is hard to argue with him. I look upon the support we give American agriculture, no matter what segment, as an insurance policy.

The figure was that the sugar program costs the American taxpayers some \$460 million a year, something like that. That is in the neighborhood. That may not be correct. That is less than \$1.60 per American. I can't insure my car for that price. What we are talking about here is that even though sugar prices go down, we still see prices of those products that have a high preponderance of sugar in them continue to go up. That is the record. It is there for all to see.

If one looks at the total picture of \$73 billion a year we put into the agriculture budget, one has to remember that over half of that is programs on nutrition, food stamps, WIC, many others, meals on wheels, school lunch programs, all subsidized by the American taxpayer. The rest of it is farm programs and the administration of those farm programs.

I look at it as an insurance policy. No other country in the world has a grocery store like we do. Americans have to agree with me that when you go into a grocery store, there is a variety of anything you want to eat. I realize that maybe we don't look upon that as an important thing, but the second thing we do every day when we get up is eat. I don't know what the first thing you do is; that is up to you. But we all need it. We would like to have a little insurance and a little security in the food we buy both from a quality and quantity standpoint. And we do.

You can buy your meat, prepare it any way you want. Same thing with your fresh fruits and vegetables. This is just about the only country in the world, that has fresh vegetables even in the northern tier of States. When there is blowing snow outside, we can still buy fresh lettuce and vegetables. It is an infrastructure and a distribution system that is unmatched in the world.

Getting back to farmer income, for many years agriculture, at the production level, lived on 15 to 20 cents—and that varied—of the consumer dollar which went back to the American farmer. Now we are trying to get by on 9 or 10 cents. Our cost of production,

our cost of vehicles, our cost of machinery, of our fertilizer, our chemicals, everything it takes to produce a crop is higher. Let's take, for instance, wheat. In my State it is around \$2.75 a bushel. That is lower than it was coming out of World War II, 50 years ago.

We are a blessed nation. We can produce. The American farmer can turn it up, and they can produce it. My goodness, can they produce it. Yet when it comes time to write the check, not near as many of those dollars and pennies filter down to the American farmer. Think about this: When you buy a loaf of bread, less than a nickel's worth of wheat is in it.

Yes, the retail price of sugar in Canada is lower than in the United States, 6 cents a pound. No wonder the people who handle sugar in Canada like the idea of stuffing. This is the only industry where it is mandatory by law and by trade negotiations and trade agreements that we import so much sugar—not trying to overproduce here in the United States, but it is mandatory. It comes to about 15 to 20 percent of our total production is mandatorily put on our market. If we look at the surplus, that is just about our surplus.

We can talk about numbers and figures. In fact, we can swim in those numbers and figures. But at some time we have to take a real look at the men who are on the ground in charge of producing. They are the ones. It is on their backs that this good economy operates. We don't spend 50, 60, 70, or 80 percent of our income just to put a meal on the table. We do it for less than 20 cents.

In order to ensure that supply of quality and quantity, and also prepared in any way that you want, there has to be some sort of an insurance policy that that, too, will remain. We have bigger things to argue about in this Senate than this sugar program and what it costs. In fact, the cost, when you compare it to the rest of the economy, is nothing.

We could talk about food safety. We could talk about terrorism and its impact on our ability to move food from the producer to the table.

That is what we are talking about here. It is an industry that should be allowed to survive. Sugar producers did put forth a plan for why inventory management is the plan for sugar farmers, consumers, and taxpayers. Let's not get caught up in saying that if we take away a sugar program, the cost will go down to the consuming public, when the figures bear out that it is not true. That was very ably pointed out. That is not true.

If we had assurance that we could do a lot of things and provide food for those who are in need—that is what this does, and it makes it affordable. What it saves on the consumer side also saves on the Government side whenever we start talking about nutri-

tion programs and programs that we are willing, as Americans, to provide those who are in need. Nobody ever thinks about those savings.

On the loans—nobody ever thinks that—while we have the sugar, it is sold. Where did the money go? We just hear about the initial appropriation for the program, but we never get an accounting on how much the Government owned, how much it sold and the difference. If we lost a little money, then that takes that so-called—everybody hates this word—subsidy number way back. It is hard to get those accounting numbers.

So what I am saying is that Americans are willing to ensure the stability, the quality, and the supply. They are willing to accept and pay for that insurance policy. If you look at the whole bill, I think it is around \$250, \$270 a household across the country. You can't insure your car or your house for that, and you can't insure your life.

I had a cookie while coming over here. Obviously, I've had a lot of cookies in my life. I have never missed a meal, nor do I intend to. But I also understand that this society is the benefactor of people who really know how to produce. Now, talking about limitations and all of that, let me tell you folks that on the farm and ranch, the people who were inefficient, just playing around and trying to farm and could not, they are gone.

We are talking about an agriculture that is down to the point where these are the good people who know how to operate and they are efficient. Our production, as far as increasing our production per acre, has almost been capped out. We can't increase that any more. So the old analogy saying we have to be more efficient and increase our production per acre, and our cost—we will have more to sell, but our cost of production continues to edge up there, also.

I am always reminded of the two fellows in Montana—brothers—and they go to Mississippi and buy watermelons for 75 cents apiece and haul them to Montana and sell them for 74 cents apiece. One looked at the other and said: We are not making any money. The other suggested: We have to get a bigger truck. Well, that is not happening in agriculture anymore. That is not happening there.

So the consumers of America, who are benefactors of this great production, are willing, I think, to buy that insurance policy that says, yes, we will have a supply; yes, it will be ample; yes, it will be quality; and, yes, it is guaranteed to be at that grocery store that is open 24 hours a day and the ability to buy anything you want to eat, in any amount, at any quality, prepared in any way. That is what we are talking about there. That is what American agriculture is all about.

We want to help people. I don't know of anybody who ever showed up at our house who didn't get fed when mealtime rolled around. That is the way of the people of the prairies of this great country.

The Senator from Indiana knows of the values in rural America. They deserve to make a living—just to make a living. Sugar is no different. That is all they deserve.

Now, are there people who abuse the system? Sure, there are. There always are, but they are few. The people who really need the help are people who didn't buy a new pickup last year and didn't buy one all through this boom. We have seen cattle prices a little bit better now, but we haven't seen a great boom on the farm or ranch through this great economic recovery we came through. We did see our cost of production escalating. For everything we bought, prices went up because of the last boom.

I hope we will table this amendment and not send the wrong signal to agriculture and the American people that, yes, we like the insurance policy that we have and, yes, we like that security.

I yield the floor and yield back the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the Senator from Idaho is recognized for 15 minutes.

Mr. CRAIG. Mr. President, debate on the Gregg amendment to the Harkin farm bill is nearly at an end. We have had an ample period of time to discuss the pros and cons of a national sugar policy not just for the producing beet or cane farmer in the great North, Northwest, or the South, but also a sugar policy for the American consumer, who has seen very stable sugar prices for well over a decade.

What I have recognized in my years of involvement with this issue is that the producing side of the sugar industry is very willing to create a dynamic program that does not cost the American taxpayer any money, creates a stability of price both at the farm level and also at the manufacturing level and, ultimately, the consumer level. That has been the historic pattern of a sugar policy, except for just the last 2 years.

In fact, over the course of the last decade, this program has not cost the American taxpayer any money. It has returned money to the Treasury of the United States. In fact, it has made money for taxpayers. The program of acquiring from the market, holding, and ultimately entering the market with the product has served us well.

There is now a large supply of sugar worldwide, including in the United States. We have seen some efforts of importers outside and inside our country to try to avoid the 15-percent volume level we allow coming into this country. Some have argued that if you kill the program, down comes the price

and the consumer benefits. Ironically, that just isn't true. The price is now down well below what it was a few years ago. Yet the price of a product that has substantial sweetener in it—sugar, I should say, as there are other forms of sweetener—hasn't gone down; it has gone up. Nearly 80 percent of the price of any food product on the market today is not the food itself; it is the cost of labor, the cost of processing, advertising, marketing, and shelving. All of that goes into the price the consumer pays.

So when a less than 20-percent item in the overall cost of a product declines, as other costs of input are going up, the consumer sees no difference and, in many instances, there is an increase, as some have talked about in the Chamber this afternoon.

In the Harkin bill that is before us, in a substitute that will be offered, known as the Cochran-Roberts bill, the sugar industry, working with the Congress in shaping the new policy, has recognized again the need to change, to be dynamic—not only to comport to budget requirements but also to deal with the consumer and make sure the consumer gets a reasonable shake and the producer gets stability in the market.

The sugar titles in both the House and Senate proposed farm bills direct the Secretary of Agriculture to operate the U.S. sugar policy “at no cost to the Federal Government by avoiding the forfeiture of sugar to the Commodity Credit Corporation.”

It is that forfeiture that some have seized on today that has only happened twice in a period of well over a decade that we want to get away from.

For somebody to suggest there is going to be a good deal of money to transfer to some other program within agriculture policy or the bill or the appropriations, that just is not the case. The new farm bill will restore to the Secretary of Agriculture a key authority that was suspended in the 1996 farm bill—the authority to limit domestic sugar sales during times of surplus through flexible marketing allotments.

The bill also grants the Secretary the authority to reduce Government sugar stocks and the potential for future sugar loan forfeitures by accepting bids for Government sugar in return for reducing future production.

The United States is required, as I mentioned earlier in the debate, to import 1.5 million tons of sugar, or about 15 percent of its consumption each year, whether the U.S. market requires that sugar or not.

In addition, unneeded sugar has entered the U.S. market—again, something mentioned by myself and others—to avoid the import quotas in creative ways, what we call stuffing or the stuffing of the product. Because of the special concessions of NAFTA and the concessions to Mexico combined with

this stuffing effort, we go beyond the 15 percent of total U.S. consumption or the 1.5 million tons.

The Secretary's current lack of ability to limit domestic supplies in the face of large and relatively uncontrolled imports resulted last year in historically low domestic sugar prices and the first significant sugar loan forfeiture in nearly two decades.

Once again, none of that translated to the market shelf; none of it translated to the consumer's pocketbook; all of it translated to the bottom line of the processor or the confectioners, and their profits went up at the cost of the consumer and not at the profit of the farmer.

Under the new farm bill, sugar marketing allotments will automatically be in place unless triggered by a high level of imports greater than 1.532 million short tons. With domestic sugar supplies under control, we believe the Secretary will be able to balance market supply and demand and ensure market price sufficient to avoid sugar loan forfeiture and any Government costs.

The Congressional Budget Office scoring of the new no-cost sugar policy, however, shows a modest cost. I recognize that even though it is clearly the intent and the purpose of the legislation not to have that.

Since CBO cannot assume other policy changes, it must assume that import quota circumvention problems will persist, that U.S. sugar imports will be high, and that marketing allotments in other years will not be triggered, and absent marketing allotments, sugar loan forfeitures might occur again.

Remember, I keep talking about the flow of product into the market. That is part of that world sugar my colleague from New Hampshire talks about, exposing well over 15 percent of the U.S. domestic market to the availability of that world product.

The industry, however, is convinced that policy changes will occur to rectify the import quota circumvention problems. We have had court tests in our favor. We are working now to block the ability of importers to stuff product with the hope of pulling that sugar out and entering it into the market. A successful U.S. Court of Appeals ruling, as I mentioned, has halted circumvention of the import sugar quota by a product entering through Canada and, as we know, it is called stuffed molasses.

Legislation is pending in the Senate, of which I am a coauthor, that addresses the circumvention problem. I hope we can move it. I hope all will join with us to disallow that kind of illegal act.

I believe that brings the debate full circle. The Senator from New Hampshire is worried and wants to eliminate the existing program. We are concerned



about the taxpayer and want to recreate the program in a way that not only protects the producer and stability but protects the taxpayer and offers the consumer stable prices in the market. We believe what we are offering today, what the Senator from New Hampshire is trying to strike, can accomplish that purpose.

I ask my colleagues to join us in voting to table the Gregg amendment and to give the adjusted policy, again, the opportunity to work its will in the market with the producer, with the consumer, to the advantage of all.

I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. CLELAND). Under the previous order, the Senator from New Hampshire is recognized for 5 minutes.

Mr. GREGG. I thank the Chair.

Mr. President, we have heard a lot of debate on this program. I must take exception to some of the things said by the opposition because it appears they are inconsistent with the facts.

For example, the representation that this program is not going to continue to cost the taxpayers money is one which is not supported by the facts. In fact, USDA, which is responsible for the agricultural products of this country, has said we will purchase close to 4 million tons of sugar over the next decade. Where we are going to put this we do not know—somebody's garage, I guess—and that will cost us \$1.6 billion in tax revenue. So this is an expensive program. If we put it back into a marketplace concept, we will save the taxpayers those dollars, which dollars under this amendment can be used to assist people who are on food stamps who are trying to buy staples to live a decent life and have adequate nutrition.

Secondly, the point was made, and I do not understand the concept here, that foreign sugar is coming in through molasses, through spiking of molasses, and that is clearly affecting the availability of sugar in this country, and that is what we have to stop. Why do you think it is coming in? It is coming in because the price of sugar in this country is so absurdly high.

You can actually go through the huge exercise of taking molasses, spiking it in some other country, then shipping it into our country and refining it off, and you can still produce sugar that is dramatically less in cost than what it costs the American consumer to get sugar because we have this price which is 2½ to 3 times the going market rate of the sugar—22 cents and 18 cents versus about 9 cents. It is as if they are saying: The marketplace actually might work, but we are not going to allow it to work. If there is anything that shows that we can reduce the price of sugar to the American people, it is the fact people are willing to go through this huge machination to get

sugar into this country, around all the barriers the sugar producers have produced. It is counterintuitive at the extreme to make that argument.

This debate comes down to a very simple fact, which is this: 42 percent of the revenues and the benefit of this program are going to 1 percent of the farmers, but all the American people are paying \$1.9 billion in extra cost to support that program. The price of sugar is 2½ to 3 times the cost on the world market because we are trying to benefit a very narrow group of people who are very effective constituents, I guess, and argue their case effectively as constituents but clearly have no equity to their argument. As a practical matter, they are reaching into the pockets of the American people and taking dollars out of those pockets which could otherwise be used to purchase more food or better commodities.

It is a program which is totally counter to everything for which we as a capitalist, market-oriented society stand. It cannot be justified under any scenario other than it represents the power of one interest group to benefit at the expense of the American people and the American consumer.

I greatly appreciate the statement of the Senator from Indiana who knows more about agricultural policy than I will ever know, who forgot more about agricultural policy than I will ever know. In his support of the amendment he gave one of the clearest statements as to why this program is such a disaster from a standpoint of economics and from a standpoint of production and from a standpoint of its impact on the consumers of America and from a standpoint of its impact on the American taxpayer. I thank him for his support of this amendment. I hope people will listen to his logic and his reason and oppose the motion to table this amendment, which I understand is going to now be made by the assistant leader.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Would the Senator have any objection to the manager of the bill speaking for 3 minutes prior to the vote?

Mr. GREGG. I have no objection.

Mr. REID. I ask Senator HARKIN be recognized for 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I have not had anything to say about this amendment yet. I point out sugar is so cheap in this country you cannot believe it. It is cheap for the consumers buying it in the store. It is cheap when you go out to eat. The people who benefit from the Gregg amendment would be the manufacturers. They are not going to pass this on to the consumer. No way.

We want to keep our sugar farmers in business; 420,000 Americans are em-

ployed in the sugar industry. It would ruin them. It would ruin our corn sweetener market, further depressing extremely low corn prices in my part of the country. This is wrapped up in a lot more than just what the price of sugar is that Senator GREGG is trying to get at. I have always said sugar is probably one of the cheapest products anywhere for consumers.

Here is a bag of sugar, Holly Sugar. I am not pushing Holly Sugar, but that is what I happen to have. They are little bags of sugar. How expensive is this sugar? Go into any restaurant and take the sugar, put it in a glass, in your coffee; you can take two bags of sugar and put it in your coffee. Do you know what the price is? Nothing. It is so cheap that the restaurants do not even charge for it. Next time you go to a restaurant, have a cup of coffee, reach over and grab the bowl of sugar and put in a couple of teaspoons. They don't even charge because it is so cheap.

There has been a lot of talk in the Chamber about the sugar products. Sugar is one of the best buys for the American consumer today. A 5-pound bag of sugar at Safeway is \$2.

If you want to gouge the consumer and give more to the processors and the candy manufacturers and everybody else, then you want to vote for the amendment of Senator GREGG. If you want to help the sugar farmers and the 420,000 Americans who work in the sugar industry and corn farmers all over America who depend upon this, we ought to defeat the Gregg amendment. I point out on July 20, 2000, we had the same basic amendment before the Senate. It was defeated 65-32. I hope the same happens again today.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I move to table the Gregg amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 71, nays 29, as follows:

[Rollcall Vote No. 364 Leg.]

YEAS—71

Akaka	Clinton	Helms
Allard	Cochran	Hollings
Allen	Conrad	Hutchinson
Baucus	Craig	Inhofe
Bayh	Crapo	Inouye
Bennett	Daschle	Jeffords
Bingaman	Dayton	Johnson
Bond	Dodd	Kerry
Boxer	Domenici	Landrieu
Breaux	Dorgan	Leahy
Bunning	Durbin	Levin
Burns	Edwards	Lieberman
Byrd	Enzi	Lincoln
Campbell	Graham	Lott
Cantwell	Grassley	McConnell
Carnahan	Hagel	Mikulski
Carper	Harkin	Miller
Cleland	Hatch	Murkowski

Murray	Sessions	Thurmond
Nelson (FL)	Shelby	Torricelli
Nelson (NE)	Smith (OR)	Warner
Reid	Stabenow	Wellstone
Roberts	Stevens	Wyden
Rockefeller	Thomas	

## NAYS—29

Biden	Frist	Reed
Brownback	Gramm	Santorum
Chafee	Gregg	Sarbanes
Collins	Hutchinson	Schumer
Corzine	Kennedy	Smith (NH)
DeWine	Kohl	Snowe
Ensign	Kyl	Specter
Feingold	Lugar	Thompson
Feinstein	McCain	Voinovich
Fitzgerald	Nickles	

The motion was agreed to.

Mr. HARKIN. I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, we are making headway. We are making good progress. I thank the people who are offering these amendments. We have had good debates. We are moving right along. So I hope now we can have another amendment up and we can have more votes today and get this bill completed.

I understand Senator DOMENICI has an amendment he will be offering in a couple minutes. With that, again, I hope Senators will be ready to offer amendments. I hope we can have some time agreements and move through them. I hope we will have another vote very shortly.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I appreciate the words, as always, of our chairman. My understanding is, in a couple minutes Senator DOMENICI will offer an amendment. After disposition of the Domenici amendment, we are anticipating an amendment to be offered by Senator BOND, and then, following that, an amendment by Senator MCCAIN.

In the meanwhile, amendments might come from the other side of the aisle. But these three amendments are known quantities with the Members who wish to be recognized as we dispose of the amendments.

I thank the Chair and yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## AMENDMENT NO. 2502 TO AMENDMENT NO. 2471

Mr. DOMENICI. Mr. President, I am going to offer an amendment on behalf of seven or eight Senators. I will name them in a moment. For the interest of the Senators, my discussion about this

amendment will probably take about a half hour, and then I understand about five or six Senators would like to speak. Nobody will be speaking extremely long, but we think this is a very important issue. More than just the Senator from New Mexico are desirous of being heard on this amendment.

I send the amendment to the desk and ask for its immediate consideration. I offer this on behalf of myself, Senators CRAIG, CRAPO, BURNS, HUTCHISON, ENZI, THOMAS, KYL, SMITH of Oregon, HATCH, ALLARD, and CAMPBELL. I have submitted it to other Senators. I fully expect more to join soon. I send it to the desk with those cosponsors at this point. As I receive others, I will submit them.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for himself, Mr. CRAIG, Mr. BURNS, Mr. CRAPO, Mrs. HUTCHISON, Mr. ENZI, Mr. THOMAS, Mr. KYL, Mr. SMITH of Oregon, Mr. HATCH, Mr. ALLARD, and Mr. CAMPBELL, proposes an amendment No. 2502 to amendment No. 2471.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To strike the water conservation program)

On page 202, strike lines 14 through 22 and insert the following: "technical assistance)" after "the programs"; and

(3) in paragraph (2), by striking "subchapter C" and inserting "subchapters C and D".

Beginning on page 121-118, strike line 4 and all that follows through page 121-130, line 19.

Mr. DOMENICI. Mr. President, I understand we are engaged in what some would call a very serious effort. I want everyone to know my intention is not to in any way delay our process. As this issue evolves, Senators will know that for the West, this is a very important decision.

I note the presence of Senator REID who is also a western Senator. He had something to do with putting the provisions in that I would like to take out. So hopefully we will have some discussion before we are finished.

This is a motion to strike essentially all of the provisions, brand new provisions in the law, that would take the conservation program that we have in effect—that is called the conservation reserve program—and would create a brand new one for 1,100,000 acres of land in the West. It would say that the Secretary of Agriculture, not the Secretary of the Interior, as we have now, would have the authority to acquire this acreage, up to 1.2 million acres, and the water rights that come with it, and then to use the water rights for the first time in derogation of State water law. In other words, they could be used

for Federal purposes, not bound by State law.

This is a very big decision for States such as New Mexico and many Western States, as you can see, that in just a few hours, most of the Western States' Senators are on board trying to prevent this from becoming effective.

Actually, the conservation reserve program has been a very effective program. The Senator from New Mexico in no way intends to change that program. In fact, I believe the underlying bill that was produced by various Members who have been speaking in the Chamber even makes the conservation program bigger and perhaps even better. But there is another provision I am referring to that is brand new.

The language contained in this substitute requires that the Secretary of Agriculture devote 1.1 million acres of the conservation reserve program to a new water conservation program. That didn't exist before. We now have a water conservation program.

Specifically, this program will allow the Secretary of Agriculture to enter into contracts with private landowners, estates, or Indian tribes for the transfer of water or the permanent acquisition of water rights to benefit environmental concerns out in our waterways and in our various waters in the West.

When enrolling this new acreage, this language requires that the Secretary of Agriculture give priority to land associated with water rights. Heretofore water rights were not necessarily considered as a paramount reason or a high-priority reason for selecting these various acreages to make up the conservation reserve. This now says the Secretary of Agriculture will give high priority to these lands that are going into this reserve, if they have water rights along with them.

The purpose of the old program was to remove vulnerable land from production, not for the acquisition of water rights. Everybody here who has praised the conservation reserve program praised it because it removed vulnerable acreage from production and it had no higher purpose. Now we have established a brand new higher priority, and that is to acquire land if it has water rights.

In essence, this is an attempt to pirate private water rights from individuals for purely Federal interests. Allowing the Secretary of Agriculture to permanently acquire these water rights gives the Federal Government control over State water.

I don't think we ought to do this. I wish I would have had a chance to sit down across the table and discuss this approach with those who have put it in this Agriculture bill, including my good friend Harry Reid. I don't think western Senators, when confronted with their constituents and asked by their constituents in water-short



States whether it would be prudent to create a high-priority program that could take those water rights as part of a conservation reserve program and attribute them to the Federal Government so the Federal Government could use it for Federal purposes, environmental or otherwise, and in that manner run inconsistent, if they so desire, with State water law, would agree.

We already have shortages that are sufficient, which means we don't have enough water for the natural uses that we have been making for years. We don't have enough water in two of our basins in New Mexico that are alongside of rivers, be it the Rio Grande or the Pecos. We don't have enough water for the current users under existing State law, which is a water rights system built upon first in use and application.

The first in time that does that is first in time in terms of ownership and priority. That is an already existing system. It has existed under Spanish law in our State. Many States in the West have first in time of use, which creates first in right for waters along streams.

Here in the East there are many Senators who are going to say: This doesn't have anything to do with us. They are probably right. They don't have any shortage of water. In fact, many of the Eastern States do not have this allocation method. They use what is referred to in law school as the riparian rights system. If you are alongside of a stream, you use the water alongside the stream. Not so in States such as mine and Arizona and the others, Idaho, Iowa, Oregon. You use the water in proportion to your having taken it from the stream and put it to a beneficial use. In the Western States, that is either constitutionally established or statutorily established, but it is powerful proprietary interest in situations up and down and across our borders as water becomes more and more scarce.

In essence, all I choose to do in this amendment, where I am joined by the various Senators I have just named, is to say at the end of the session we should not be considering a change in water rights for the West.

(Ms. STABENOW assumed the chair.)

Mr. DOMENICI. I urge that Senators help us by just taking this out of the bill and saying another time, another place, we will have some significant hearings. Let's hear from our States and our communities, and let's hear from water ownership districts and associations, be they in Wyoming, New Mexico, or wherever. Let's hear from them and let's see how inserting this new bargaining chip in the middle of a river basin might have either a negative or positive effect.

I actually believe we do not need in the basins of New Mexico—which are very short of water right now, and

some are arguing whether there is enough for the already existing rights—another player plunked down on the stream that can, in fact, apply this water to another separate use and even abandon the State water law that controls how it is used, where it is applied, and what it is used for. I just don't think it is the right time.

I would have thought if we were going to make such a change or imposition on State law as it pertains to water, we would have gone a little slower and would not have come up with an agriculture bill where these water rights have not been part of any hearings in the appropriate committees. As a matter of fact, I am not sure but that these provisions would have been subject to the jurisdiction of the other committees besides Agriculture. I believe the Energy and Natural Resources Committee would have liked to look at this new language in terms of new priorities and new rights.

So this is an attempt on my part not to change but to just strike these provisions. I don't have amendments to the provisions crafted on behalf of Senator REID, or whomever, and put in this bill. I don't think we ought to do them tonight on an agriculture bill, when it could have a profound impact on water rights in the West. There are certain groups that maybe can't get all the water they want in our States, for what they see as important uses. They have come along and said maybe we can do it this way; we can let the Secretary of Agriculture acquire these water rights as part of an old program that had nothing to do with acquiring water rights but had to do with acquiring properties to be put in a reserve so that we would have a better chance for these properties and these lands to develop and become usable if they are taken out of use and put into a reserve.

Now somebody has found that we can take a piece of that and grab with it water rights and then let the Federal Government decide how to use them under Federal law, not State law. Changing the program—this old, good, solid program, the CRP program—could force many farmers to choose not to participate in a program for fear that they could be coerced into giving up their water rights.

I don't think this is the right thing to do. I don't believe we are anywhere close to correct in assuming that this should be a highest priority for the CRP in the future. I cannot believe that of all the uses out there that go along with the CRP, Conservation Reserve Program, that we could establish without any serious and significant hearings that the Secretary of Agriculture—a new person in this equation, as it used to be the Secretary of the Interior. Now we have added the Secretary of Agriculture in this bill, and I don't think that is a move we should have made without significant hearings either, but this would change that.

So I close my first round on the Senate floor by asking my distinguished friend, Senator REID, if he will consider taking these provisions out of this bill. I don't believe they belong here at this time, when we haven't had an opportunity for significant hearings regarding the subject, and when it is clear and obvious to this Senator that we are going to give the Secretary of Agriculture a whole new series of rights under a program that is working well now, working well to take lands out of production. Now we are going to say we are giving the Secretary of Agriculture a new authority—and it is of highest priority—to acquire lands for this program if they have water rights so the Federal Government has both water rights and Conservation Reserve Program land. Then once the Federal Government has it, the Secretary of Agriculture is no longer bound by State law but can accomplish in a basin that is strapped for water a conflicting use just to come along and plunk itself on the water with a brand new right not governed by the State law that has been in effect, in many cases, for decades on these river basins.

So I hope that Senators will go along with the huge preponderance of western Senators and say let's strike this provision for now. Let's go back next year and have hearings on what will this do to the water rights in the West. What will it do to water districts and river basins that are already so short of water that the next legal wars for the next decade or two are going to be over whether there is enough water for the existing priorities under State law. I think in many cases we are going to say there probably isn't. We are probably going to say, if there isn't, how can we justify a new high priority for the Federal Government to acquire these water rights as part of a Conservation Reserve Program and then use it as they see fit.

It is a pretty clear-cut case. Is now the time to do this or not? Again, I work on many issues with my distinguished friend, Senator REID from Nevada. We are chair and ranking members on an appropriations subcommittee that does a lot of great things. We understand each other very well. I actually didn't know anybody was working on this provision, including my friend, Senator REID, that would change or have the potential for changing the water rights priorities from State priorities to an imposition of Federal priorities on river basins that don't have enough water for what rights already exist and that are being applied under State law.

Mr. NICKLES. Will the Senator yield?

Mr. DOMENICI. Yes, I will.

Mr. NICKLES. Will the Senator be kind enough to add me as a cosponsor?

Mr. DOMENICI. I am delighted to do that. I yield the floor at this point.

Mr. REID. Madam President, I am happy to respond to my friend from New Mexico. However, there are a number of myths. A myth is something which I guess takes a long time to perpetuate, so maybe we will not call these full-blown myths, but there is some misinformation the Senator has been given.

I will talk about the first myth: Some claim that the water conservation program will preempt State law and allow the Federal Government to run water law in the States. That is simply not true.

Any application to enroll in the program would have to be approved by the State in which the farmer farms. For example, if a rancher in Nevada decided he or she wanted to be part of this program and the Department of Agriculture decided it was a good deal, they would have to go to Mike Turnipseed, Nevada's water engineer, and if he said no deal, there would be no deal. All this talk of coercion is without logic.

I find, and I say with respect to the senior Senator from New Mexico, when we have legislation and there are not any meritorious arguments against it, the first thing one says is there is another committee that has jurisdiction or it has multiple committee jurisdiction. That has been raised in this debate.

The other argument continually raised when one does not have substantive arguments to good legislation is: We need more hearings. Whenever you hear that, it should trigger figuring out what the real merits of the opposition might be, and the merits of the opposition to this program are very weak.

Myth No. 1: The water conservation program would preempt State law and allow the Federal Government to run water law in the States. Not true. It does not preempt State water law. Also, 41 million acres are in this big bad program. There are 41 million acres in the overall program. This little program Senator DOMENICI is talking about has 1.1 million acres. So 40 million acres basically are untouched by this.

Myth No. 2: The water conservation program would create a huge new Federal program to permanently buy water rights.

Fact, not fiction: 90 percent of the program is focused on short-term, 1- to 5-year contracts to lease water. Why do we focus on short-term leasing of water rights? We do it because, No. 1, leasing water for the short term keeps farmers in farming. After they have to deal with the Department of Agriculture for 1 year, they retain full ownership of their water.

No. 2, it provides a source of water for endangered species, for example, in drought years when other conflicts are very severe. That is when these con-

flicts come about dealing with endangered species, such as fish. It is because there is a shortage of water.

No. 3, it will provide a supplement to farmer income in years in which they face water supply restrictions due to Endangered Species Act concerns. This actually helps the farmers.

Keep in mind, this program requires a willing seller, a willing buyer, and we protect property rights. Why shouldn't somebody who is a rancher or farmer have the same property rights as somebody who runs an automotive dealership, or a manufacturer? Why shouldn't a rancher or farmer have the right to do with his property what he wishes?

Even if we say a willing seller and willing buyer, and that is what we have, they do not even have the ability to do that unless they get approval of the State water engineer, whether it is Wyoming, New Mexico, or Nevada. So all this talk about coercion is absolutely senseless.

Also, I would think my friends from the West would be happy for a change. We have a farm bill that gives help and actual money rather than verbiage to the western part of the United States. That is what the conservation section in this bill is about. I have stood in this Chamber and I have been to press conferences with the chairman of this committee. One thing about Senator HARKIN, in his legislative career in the House and the Senate, he has always been willing to do things that change the world in which we live for the better.

He, in this instance, has been willing to change the traditional way we do agriculture. That does not mean it is bad. It means it is wonderful; it is progressive. That is what this legislation is about. This legislation protects every farmer in the State of Iowa, but also it recognizes there are other parts of the country than the breadbasket of this country. Most of our groceries come from the State he represents and the States surrounding him.

The reason I have been willing to go forward on this legislation—and I say the whole bill. This is a big bill. I do not know how long the bill is, but it is big. We have a tiny little section, but I would vote for the bill anyway because I recognize what the Senator has done is excellent. There is more support for this legislation because it helps other parts of the country.

The people who are giving information, that the Senator from New Mexico is receiving, are giving bad information. Senator DOMENICI is a smart man. He has been mayor of a city. He has been here longer than I have. But when he says this program coerces farmers and States, he is wrong, it does not do that: Willing seller and willing buyer. If a farmer or rancher does not want to do a deal it is his property. He does not have to do a deal.

Another myth: The water conservation program would undermine private

property rights. I have touched on this a little bit. The water program is private property rights—that is, the program is supportive of private property rights. This is a willing seller-lessor program. A farmer decides whether or not to lease or sell his water rights. There is nothing more pro property rights than allowing property owners to decide what to do with their own land and their own water.

Let's take, for example, the State of Nevada. I was telling someone the other day about Nevada. Nevada is a huge State. It is the seventh largest State in the country by acre. From the tip of the State to the top of the State is 750 miles, maybe 800 miles. It is very wide, more than 500 miles in the north. Madam President, we have very little water. We share the Colorado River with a lot of States, and the mighty Colorado has done a great deal for the western part of the United States. Compare that with some of the rivers in the State of Michigan.

I will never forget when I first came to Washington, I went to Virginia on a congressional retreat. I said: This must be the ocean. It was a river. The river was more than a mile wide. We do not have rivers like that in Nevada. What people in the east call creeks we call rivers.

I would like to name some rivers in Nevada. We have the Colorado that we share. We have the tiny, little Walker River. It is so important to Nevada, but it is a tiny river. One can walk across it in most places some of the year. The Truckee River, which is so important to Reno and Sparks, it has an irrigation district at the end of it. It is also a tiny little river, and there are many times of the year one can walk right across the river in various places.

Carson River is a little river that runs hard in the spring. It is a wild river in the mountains, but it is a little river. Many rivers in Nevada have no water most of the time.

We understand in Nevada what water is and what a shortage of water is, and I am not about to give away Nevada's water. I understand, though, that if a rancher in Nevada has land and he has water which he owns, he should be able to do with it what he wants. If there is a program out of 41 million acres—we have been able to get a program that has 1.1 million acres that allows this farmer, this rancher, for once, to do something with his property.

For example, I started talking about Nevada and I got carried away with my great State.

If a farmer in the Truckee River Basin in Nevada decided he would like to switch from growing alfalfa, a very intense water crop—and we grow a lot of it in Nevada, but it takes huge amounts of water—but he decides that he wants to grow native seed to help with restoration of rangeland in the Great Basin.



We have had fires in the desert, especially in the high desert, and we need to have seed to plant there. If a farmer decided he wanted to switch and grow native seed, why shouldn't he be able to go and say, I want to make a deal? We will lease your land for 2 years. We have saved the water. Something else can be done with it. It doesn't sound like we are doing bad things.

In fact, it seems to me we are giving a property owner, for lack of a better description, more tools in his tool box with which to make money and provide for his family. We are doing the right thing.

I have heard the term "taking." I know what a taking is. I am familiar in the Constitution that you cannot take a person's private property without due compensation. This has nothing to do with that. If the rancher decides he does not want to do native seed, he simply does not grow it. No one will force him to do it. Once he and the department decide they want to do it, they still have to get approval of the State water engineer.

I had somebody call me today complaining about the program. I said: Tell me what is wrong with the program. Listen to what they said. I was stunned. They said: Well, if somebody decides with their own property—I am paraphrasing—to make a deal and lease it for a year, 2, 3, or 4, up to 5 years, what they are doing in parched, arid Nevada, they are saying if they do that and you take certain land out of agriculture, it changes the ground water. And what they are saying is, if you allow the water to go downriver, you are stopping people from drilling wells and pumping water because of the irrigation that takes place.

That doesn't make very good sense for voting against this legislation.

Let me give another example. We have a beautiful lake in Nevada. We have two lakes like it. They are called freshwater desert terminus lakes. They are freaks of nature. Pyramid Lake was basically saved after work in this body to save it. Pyramid Lake, because of the first ever Bureau of Reclamation project, was going dry. Lake Winnemucca, the overflow from Pyramid Lake, did dry up. It is as dry as the ground on which I stand. But we have another desert terminus lake called Walker Lake. It is in the middle of nowhere. It is in a place called Mineral County.

Mineral County has always been very good to me. I have always carried Mineral County. On one occasion I was elected to the Senate I carried two counties: Clark County, where Las Vegas is, and Mineral County. I lost every other county in the State of Nevada. Mineral County always sticks with me. They have this big lake. There are only 28 lakes like Walker Lake and Pyramid Lake in the whole world. The lake has been drying up. We

have been very fortunate in the last 7 years. We have had a lot of water and it has been able to get into the lake. About 6 or 7 years ago we had a year and a half to go before all the fish in the lake would be dead it was so starved for new water. There are people who believe the lake is worth saving.

As I have indicated, we can do it and still take care of agriculture. There is an Indian reservation that depends on the water, little tiny Walker River. We can handle that. We have to do things differently from the past. We cannot do what we have done in the past because everyone will fail if that is the case.

Here is an example if somebody wanted to change their income and make more money, they go to native seed and do a deal with the Government. Some of the water would run into the lake and preserve that great natural beauty we have, Walker Lake. They should be able to do that. Or, the alternative is wait until we get into a real bad problem, and endangered species problem, and lawsuits are filed. This is a way to avoid that or have money available to help solve the problems. There are places all over the Western United States that benefit from this.

I repeat, farmers who choose not to participate in the program will not be hurt. Some farmers who choose to enter into short-term agreements to transfer water during drought years will actually benefit their colleague farmers who decide not to participate because, if some farmers lease water for fish and drought years, it will ensure there is enough water for both farming and farmers and those who are dealing with the threatened and endangered species.

Mr. CRAPO. Will the Senator yield?

Mr. REID. I will be happy to at some point, but I have a statement that is quite long. If the Senator would be kind enough to keep track of the questions, I will be happy to explain.

Another myth: The U.S. Department of Agriculture has no authority for businesses offering to help mitigate farmers for endangered species or other conflicts. Federal agencies have affirmative obligations. They have no choice under the Endangered Species Act to do all they can to conserve species.

I say to my friend from Idaho, his predecessor, now the Governor of Idaho, and I, Senator CHAFEE and Senator BAUCUS, had a great endangered species bill we brought to the floor. For various reasons, the then-majority leader, Senator LOTT, decided not to bring it up. We lost a great opportunity for a bipartisan revamping of the Endangered Species Act. We didn't do that. It is too bad.

I talked to Senator BAUCUS earlier today about another subject and that came up. That was a good move we made. It is too bad the legislation did not become law.

All Federal agencies have affirmative obligation under the Endangered Spe-

cies Act to do all they can to conserve species. When it comes to conserving endangered fish, agriculture and water is the main issue. This program will help USDA and the States help farmers and help mitigate these endangered species conflicts.

The Department of Agriculture is the perfect agency to interact with farmers in the conflicts. They trust the USDA more than, say, the Fish and Wildlife Service.

Madam President, willing sellers, willing buyers—this legislation in this bill that the committee supported is legislation that is pro-private property. There is nothing that prevents a State from saying: I don't like what you are doing, farmer. You cannot change what you have been doing. The State water engineer has the right to do that.

The conservation title in this legislation is a very important new program to help mitigate the conflicts between farmers and the environment. It is not only for that purpose; it is to give farmers and ranchers the ability to do things differently than they have in the past, to make money in a different way than in the past. This has nothing to do with making money. If they don't want to do it, no one orders them to do it.

The controversies I talked about, which come up on occasion, usually come to a head in drought years when Endangered Species Act protections trump water over ranchers for farmers and ranchers. There is example after example. We had legislation here earlier this year. I don't recall the exact date, but Senator SMITH from Oregon was very concerned about what was going on. I don't know his feelings on this legislation but if this legislation had been in effect when the problem started in Oregon there wouldn't be the problems. Farmers would have some alternative. As I understand it, we have given them some financial relief. But they are in bad shape. This could have helped them.

These controversies result in some really difficult situations. Irrigation pumps providing water to farmers are on occasion cut off so threatened and endangered fish, for example, don't go extinct. You may not like the endangered species law, but it is the law. You have to deal with it. You cannot avoid it.

When these conflicts reach this critical stage, there is not much we can do to alleviate the economic impact. This happens to ranchers and farmers and the regional economies tied to farming and ranching.

There is, in the West, a new West. When I was raised in Nevada, mining and ranching were really big. They are still big, but the rest of my State has grown. Las Vegas has grown so much, 70 percent of the people live in that metropolitan area now. All the ranches and farms that were in Clark County

are gone now. There may be a few people raising a little bit of hay for their horses, but basically it is gone now. So there is a new West, in the sense that there are things other than ranching and mining.

That does not take away from the importance of these two industries. I have spoken on the floor for long periods of time defending mining. People say to me all the time—and people write nasty letters to the editor—asking, how can somebody who says he is for the environment support mining?

I do it for a lot of reasons. One is my father was a miner. In fact, my staff brought to my attention yesterday some news articles that one of them found, going through the Library of Congress, I guess, out of curiosity about me. When I was 10 days old, my father was blasted—what we call blasted. He was working in a mine. The bad fuse did not have the workplace protection they have now. They lit the holes, one of the pieces of fuse ran, one of the holes went off, and of course blew him into the air, blew the soles off his shoes, blew out his light. He was in a vertical mine shaft.

When they set off the holes, they have a ladder they can take up with them they call a sinking ladder. He was, I guess, in a state of shock. He tried to climb out of this hole. He didn't realize one of the legs of the ladder had been blown off, so every time he tried to climb up, he would fall. He couldn't figure it out.

It was a brave man who heard the hole go off and knew that he hadn't come up to the next level. Knowing there were 10 other levels burning, this man named Carl Myers came down to that shaft—my dad was a bigger man than he—and carried my dad out of that mine. He received a Carnegie Medal for saving my dad's life when I was 10 days old. That is when that incident took place.

So I defend mining for a lot of reasons. I do it for my father. I do it because it is good for Nevada. We have thousands and thousands—the best blue-collar jobs we have in Nevada relate to mining. I think a lot of people who complain about mining don't know what they are talking about, for lack of a better description.

Ranching is important. Ranching doesn't create a lot of jobs, but it creates a way of life that we should all envy. So that is why I do what I can to recognize that we have a new West but we also have an old West that we need to protect. This legislation is about protecting the old West, keeping farmers and ranchers in business. Those people who are crying out in a shrill voice that this legislation hurts them, I do not believe that.

We need to create programs to help lessen conflicts in drought years. The water conservation program included in Chairman HARKIN's bill is the first

tool we have in a Federal farm policy that actually addresses this problem. I commend him again and again for doing this. This legislation has support of people who had never supported this legislation before. I am sorry to say there are some ranchers and farmers who are being given bad information. They should be happy that we are trying to give them other tools, I say, in their toolbox, so that they can do things they have never been able to do before.

Again, I repeat for a fifth time: Willing sellers and willing buyers. If a rancher or farmer decides he wants to do something different and he has the ability to work something out with the Department of Agriculture, great, I hope they can do that. But if they do that and the State water engineer, rightly or wrongly, denies them the ability to go forward, that is his prerogative. That is what State water law is all about. And this legislation protects State water law.

Here is how this program works. It is very similar to a program farmers already are familiar with, which is extremely popular, called the Conservation Reserve Program, CRP.

Under CRP, farmers enroll land in the farm, reducing farming on their land and improving wildlife habitat on other land. This is the law now. The farmer collects a payment for participating for a 10- to 15-year contract term. That is the law now. We decided not to go for a 15-year contract period but for a 1- to 5-year contract period. Under the new Conservation Water Program, the one they are trying to strip from this bill, a farmer could enroll that land to a program and do farming on their land, but instead of focusing on wildlife improvements on the land, the farmer could agree to transfer the water associated with the land to provide water for all kinds of reasons.

Unlike the CRP, the Water Conservation Program would provide farmers with very flexible options and terms of how they would agree to transfer water. They can enter into contracts of 1 to 5 years, as I have said, with the Department of Agriculture, to provide water. This shorter contract term works for this program because what we are focused on in the program is building a drought water supply in years when there are threatened species or other problems arise because of the drought.

Farmers also can enter into option contracts with the USDA, where they would just give the Department of Agriculture an option on their water which would be exercised in a drought year. Again, the farmer makes money. Farmers would keep on farming unless or until the option were exercised.

The issue of transferring water sometimes can be controversial for my colleagues. Some express concern this pro-

gram will enable the Federal Government to buy water rights where a State doesn't want the rights sold. This simply is not true. It is simply not true. The program specifically provides that State water law is paramount. Under this program, a water transfer will not happen unless the State approves that transfer under its own law, not under this law. We are not changing State water law. But under the State law as it now exists, the State approves the transfer under its own law. In States where the water law does not permit transferring water for these programs, the program simply couldn't be used.

To show how sincere we are about this, we had a couple of staffers come to my staff and say: I am not sure my Senator wants part of this program.

Fine, we will opt you out.

Oh, no, we don't want to be opted out.

We gave them the alternative: If you don't like it—I think you are losing a tremendous advantage for your agricultural community—we will opt you out.

They didn't want that.

But there are some very good reasons that States should want to participate in the program and facilitate such transfers. Let me give but three reasons.

First, these transfers will help ensure that water is available for freshwater life during dry months, helping increase flows during historic times of seasonal low water.

Second, protecting freshwater species is among the most important conservation objectives related to endangered species. This is the law.

Freshwater species are North America's most endangered class. They are vanishing five times faster than North America's mammals or birds and as quickly as tropical rain forest species. That is a matter of fact. Habitat loss and degradation are the single biggest threat to freshwater species in trouble. Inadequate streamflow is the largest habitat-related threat.

Third, a program which provides for flexible options for water transfers, not simply permanent acquisition, but short-term options will help mitigate farming in rough years and allow farmers to continue farming. It seems like a pretty good idea.

I am happy to yield for a question without my losing the floor to my friend, the junior Senator from Idaho.

Mr. CRAPO. Madam President, the Senator talked about the fact this is based on a willing relationship. But if I understand the amendment correctly, it is willing only in the sense that any landowner who wanted to participate in the new CRP acreage that is authorized under the farm bill would be required to either temporarily or permanently yield his or her water rights or could simply choose not to participate in the new acreage.



The question is, Is there any way for a landowner to participate in the acreage program for the CRP that is being expanded here without being required by contract to yield up their water rights?

Mr. REID. No. But why would someone want that? Why should they have it both ways?

Mr. CRAPO. The response to that is the CRP works very well. It is doing a lot of good for wildlife in the United States. It is not specifically focused on the acquisition of water rights. The expansion of the CRP, which we are trying to accomplish in this farm bill, will expand the successful operations of the CRP.

The concern I have and that many others have is the Senator is providing in his amendment that no landowner in America can participate in the expansion of the CRP without being required to yield their water rights. Although I realize that is voluntary in the sense they do not have to participate, it is not voluntary in the sense that a landowner who wants to participate cannot do so without having to yield water rights.

Mr. REID. Madam President, as I have indicated, the program we are talking about is approximately 1 million acres out of 41 million acres. We are talking about 1 million acres which will alleviate some of the most desperate problems we have in the West. It seems to me that breaking out of the curve a little bit is the way to go. I guess the Senator from Idaho might have a different philosophy. I think no one is being forced into doing anything. If they want to participate in the program subject to their wanting to do it—the Department of Agriculture acknowledging it is a good idea—then the State water authority can approve.

I think it is a pretty good deal. It is a small part of land. Some people have talked to me who do not understand the program. Once I explained it to them, they felt pretty good about it. A lot of people thought we were wiping out the other program. We are not.

Mr. CRAPO. Will the Senator yield for one additional question?

Mr. REID. I am happy to yield.

Mr. CRAPO. With regard to the issue of whether State law still applies or whether State law must be complied with in the transfer, let me ask the question. The additional question I wanted to raise is whether State law applies. The Senator from Nevada indicated State law would still be required to be complied with in any transfer of water rights. In Idaho, as I am sure in many States, when a water right is transferred the State authority evaluates it and takes into account a number of considerations before they authorize the transfer. Will it injure any other water user rights? Are the priorities established in State law for the use of the water being met?

Is the Senator telling us that if a landowner wanted to participate and yield his water rights in this new acreage that the State water law would still be applicable and the State authorities could say this does not fit the requirements of State law and prohibit that transfer?

Mr. REID. Let me, first of all, make sure I stated my previous answer properly. When I talked about 41 million acres, I want everyone to understand that it was originally 36.4 million acres and we increased that and set aside 1.1 million acres for this water conservation program.

In response to the Senator's question, if State engineers, for whatever reason, decided under State law they didn't want to do whatever the State authority is, it wouldn't be done.

We have had a troubling situation with the Truckee River. I get so upset at that State engineer. I think sometimes he does not know what he is doing. He knows a lot more about water rights than I do. He has a right to do whatever he wants to do. This wouldn't change that.

Mr. CRAPO. I appreciate that response from the Senator. I guess we have a disagreement on the level of voluntarism and whether it is appropriate in the CRP. I appreciate the Senator clarifying that point.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I understand the distinguished Senator from Montana wants to speak. I wanted to say to Senator REID that I appreciate his compliments. When he opened up, he said I was smart because I was a mayor. I want the Senator to know that the fact I was a mayor doesn't make me very smart.

Mr. REID. Can I respond briefly?

Mr. DOMENICI. Of course.

Mr. REID. Having worked with the Senator for the entire time I have been in the Senate, the fact that he was a mayor has certainly helped me understand why he knows so much about budgetary matters. No one works harder on the budget than a mayor.

Setting all of that aside, I don't need to enumerate the Senator's qualifications for everyone here to know how knowledgeable and how versed he is on legislative matters. He has a great educational background. He is a good athlete. He is a fine man. The fact that he was a mayor only adds to his qualifications.

Mr. DOMENICI. I thank the Senator very much. I want to give my friend from Nevada a thought. He made a very serious and significant series of statements about the voluntary nature of this, that the truth is, for States such as mine—I don't know about Nevada—the major water districts and the river waters that will be used by farmers, ranchers, cities, et cetera, do not need another big purchaser of

water rights called the U.S. Government's Secretary of Agriculture. We don't need one of those for our basins. Voluntary means how high the person who is buying will go in paying. I imagine the Secretary of Agriculture has a lot more money than any other buyer around. The purchasing in the district will be distorted by the gigantic reach of the Secretary of Agriculture.

What will they be looking for? They will want to buy the acreage to do something different than we are planning to do with that water now, just as sure as we are here. They are not going to be acquiring it to do what the basin currently permits. It is going to be for another purpose.

We are just plunging down in the middle of an already totally occupied water district a new buyer, the great big Secretary of Agriculture. They can come in and purchase this for Federal Government purposes. There is no question about it.

Frankly, I don't think anybody who has assets and resources in their States would want to say everything will be OK, even though everything is tight right now. We don't know if there is enough water for the city. We don't know if there is enough water for the fishpond, the lake, or the streams. But that is all right. We are going to approve that program so big daddy, the U.S. Agriculture Secretary, can come in and buy up water rights. Of course, it is all going to work out because they are benevolent anyway and willing. Everybody is going to be OK. The State water superintendent has to say OK anyway. Frankly, I don't think we ought to give them the right to get into a district with that kind of power and end up calling it willing and calling it equal and calling it equality. It is not so. It is going to be tremendously distorted on the side of the Department of Agriculture.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Madam President, I thank my good friend from New Mexico for leading the charge on this particular part of the farm bill.

A while ago we were talking about myths. If this section does not erode the State adjudication process and the State would have to give its OK, if there is a section of willing seller and willing buyer—which, by the way, they already have that right—why have the legislation? What other purpose does this legislation serve than the landowner and the water right owner in that community?

Some 8 or 9 years ago a Secretary of the Interior made a speech and said: We can't change the culture of the West until we take over the financing and get control of their water.

I know the Senator from Nevada very well, and he understands the State of Nevada very well, that whiskey is for

drinking and water is for fighting. That has been pretty well accepted throughout the West. But in this piece of legislation, which has been inserted into this bill, is language that would make it possible for the Federal Government to purchase water rights from individuals to protect sensitive species.

We have a hard time defining "endangered" or "threatened." Now we come up with a new term called "sensitive species." When the Government owns the water rights, do we see, all over again, Klamath Falls, OR, where we had a vote in this Chamber that sent a signal throughout the agricultural community that this body was more sensitive to a sucker fish than we were to 1,500 farm families in this country? You just stand there and watch your crop dry up because of a law and an insensitive Government?

Now, this was first introduced as a bill. The bill was S. 1737. The bill has never had a hearing. It has never seen the light of day until today with the introduction of this piece of farm legislation. Though it may be well-intentioned, I would say this: Whenever the Federal Government enters the picture, and willing seller/willing buyer, or coercion, when you are going broke, and the fellow in town has the biggest checkbook, and it happens to be the Federal Government, don't you bet your last paycheck on whether the Government knows who has the biggest checkbook. They also know the position you are in to finance your situation, and where that water is going to go.

Just about every State in the West—I know it is true in Oregon and I know it is true in Montana—has a water trust. They are already in place. If a farmer or a rancher wants to give up what he is growing now and does not want to use that water, or he wants to sell or lease that water to another irrigator who still has a crop that requires large amounts of water, he can do that now. It does not require this legislation. It does not need the big checkbook coming out putting him in a position where he must sell to the big checkbook.

If people doubt that, then I suggest they go out and try to run one of these irrigated farms. They are already in place. So the intrusion, although not intended, or the coercion, also not intended, happens in the real world. And I hope this body operates in the real world.

My good friend from Nevada says it may change the groundwater. Let me tell you, it does. I live in an irrigated valley. I used to, anyway. I am up on a hill now.

I say to Senator REID, let's take Clark County in your State where that county has grown and pushed out the agriculture. You and I will not see it, nor do I think our kids will see it, but there will come a time when we will

pay the penalty for building houses on the valley floor covering up good, productive agricultural land that tends to provide great benefits to us. We had better start building our homes and our houses and our businesses on dry land and let the valley produce. That is the way societies have done it before, and those societies still are with us today. We may have to take a look at that.

I will tell you, when they turn the water out of the ditch, the wells at my house go dry because the water table drops. That happens every fall. So that is not a myth, I say to the Senator. It is true.

I have a letter here from the National Cattlemen's Beef Association. The president of that association, Lynn Cornwell, is a resident of Montana. He is a good friend and a good rancher out of Glasgow, MT. They would like to see this part of the agriculture bill deleted because they, too, understand what it does and the effect it has on farming and ranching operations, even on dry land. I would say the biggest share of the Cornwell ranch is on dry land.

I want to change the tone and restore the spirit of the law of the CRP, the Conservation Reserve Program. I will have an amendment that will do that which I will offer in a little bit.

But my concern is, the willing buyer-willing seller is not the real world. It is not the real world. It may be up to us, and those of us who probably have never trod on a farm or a ranch, to deal with this.

I have been a very fortunate person. I have been an auctioneer for a long time. I have had the painful experience of selling out some friends who did not make it. The big checkbook always came into play. So that is not the real world.

Then, I say, if this has nothing to do with circumventing the State's rights, water rights, and the adjudication process in that State, then why do we need the legislation? There is absolutely no reason for it. So there must be another motive that cannot be seen just by reading the words of this particular section.

I would hope that we would use a little common sense in this 17-square miles of a logic-free environment and not do anything that upsets the balance between the States, the Federal Government, irrigation districts, and private land owners. Because it is my interpretation of the language that once you sign up in the Conservation Reserve Program, then you might not have any choice but to relinquish those water rights, even on a temporary basis. And that is a very dangerous precedent in itself, of relinquishing those water rights to the Federal Government.

I have always taken the advice of an old rancher over in Miles City, MT: There is a way to survive in a harsh

country. Never ever let anybody erode or give away your water rights, always keep a little poke of gold, and you will survive out here in pretty good shape.

Madam President, I ask unanimous consent that the letter from the National Cattlemen's Beef Association be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL CATTLEMEN'S  
BEEF ASSOCIATION,

Washington, DC, December 12, 2001.

Hon. THOMAS A. DASCHLE,  
Hart Senate Office Building,  
Washington, DC.

DEAR SENATE MAJORITY LEADER DASCHLE: Throughout the formulation of the Senate farm bill, the National Cattlemen's Beef Association (NCBA) worked diligently with members of the Committee to develop a Conservation title that would reflect the interests of NCBA and this nation's cattlemen. NCBA was pleased with the bipartisan, voice vote approved Committee title. However, modifications that are to be incorporated into the bill by a manager's amendment take back many of the positive strides supported by NCBA.

The manager's amendment will increase the Conservation Reserve Program (CRP) to 41.1 million acres. This exceeds the 40 million acres that NCBA found acceptable. At this level, CRP will negatively impact the economy of rural communities, local feed grain and forage prices for livestock producers and devote taxpayer dollars to setting aside land that could be better spent on working lands. NCBA asked that increase in CRP acreage be limited to no more than 40 million acres with new acreage focused on riparian areas, buffer strips and continuous sign-up acreage. Additionally, the managers' amendment still does not provide for a reduction in rental rates on CRP acres used for haying or grazing.

Long term funding of the Environmental Quality Incentive Program (EQIP), at the time when producer needs are likely to peak, has been reduced by \$650 million dollars per year, from the Committee passed bill. Reductions in funding in 2007 and the out years, will put the long-term success of the program at risk. By contrast, the Committee passed bill provided continued funding that amounted to an additional \$3 billion over 10 years. NCBA, in addition to increased funding, asked for a number of programmatic changes that continue in the legislation. Our support for existing measures is dependent on changes that will provide for program access to all producers and ensure that soil, air and water quality are the priorities for the program.

The manager's amendment includes a number of disconcerting provisions related to the Water Conservation Program. This new program would authorize the use of 1.1 million acres of the CRP authorized enrollment acreage to acquire water rights, both short-term and permanent, primarily for endangered and threatened species recovery. This program also specifically allows for the temporary lease of water or water rights in the Klamath River basin of Oregon and California. NCBA cannot support this program, despite the fact that only "willing sellers" may participate. Willing sellers are often found where there are endangered species; the Klamath basin is a perfect example. Many farmers and ranchers have become "willing sellers" because they can no longer



afford to farm. Buying all the water rights in the west will not solve our nation's endangered species problems, which in large part is due to the Endangered Species Act itself. It is inappropriate in the context of a farm bill to attempt to do so.

The Grassland Reserve Program (GRP) is another new program that has garnered much support in this farm bill debate. NCBA supports this program because it provides an option for preserving the economic viability of grazing operations while protection the grasslands upon which both wildlife and ranching depend through the purchase of 30-year and permanent easements. However, the Committee proposal strips the option for non-profit conservation and agricultural land trusts to hold and enforce the easements, which is critical for NCBA.

Conservation easements are rapidly becoming a valuable tool in the protection of agricultural lands. However, many landowners remain skeptical. As with any contract, it is important to be able to develop a trust relationship among the parties to the agreement. By allowing third party non-profit land trusts to also be eligible to carry out the administrative responsibilities of the easement, the landowner has the flexibility to work with the entity they feel most comfortable. Several states have developed land trust organizations for the purpose of holding and enforcing agricultural conservation easements. Without the ability of non-profit or agriculture land trust participation, the GRP will not serve the interest of those family farmers and ranchers for which it was designed.

We look forward to working with all Members of the Senate to create a final package that meets the needs of today's ranchers. In closing, NCBA believes that last minute amendments to a balanced and bipartisan Committee passed bill are lacking in a number of key areas and less attractive to US beef producers.

Thank you for the opportunity to communicate with you on these important issues. If you need further information or if we can provide clarity to any points in this letter, please contact us.

Sincerely,

LYNN CORNWELL,  
President.

Mr. BURNS. I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Madam President, I heard the comments made by my good friend from Nevada earlier. I agree with him. The conservation title of the Harkin bill is there to help mitigate western water conflicts.

I have been on the Agriculture Committee for 26 years now. It was the first committee I went on when I came here. I have heard a lot of the debates on conservation practices and on water matters. We get concerned about water in the East for different reasons than they do in the West.

We have heard the comments of my friend from Montana. My home in Vermont has a well. We live on a dirt road. We have to provide our own water. We are certainly very careful about protecting the water we have. Our home had once been a farm. They had to have water for the cattle. We know what it is.

This is not a case where you are going to willy-nilly transfer water away. In fact, under the amendment that the Senator from Nevada, Mr. REID, has proposed to the Harkin bill, it provides specifically that the State law is paramount. In other words, if Nevada or Montana or anywhere else has a water transfer law, then nothing happens unless it is approved under the State law. It is not a case where the Federal Government just comes over and takes over things.

This proposal is here to make sure we plan before we are in trouble, before we are in a drought situation. When you get into a drought situation, when you have those kinds of problems, there is not an awful lot you can do to help farmers or alleviate their economic impact, or, for that matter, the regional impact on farmers because they fail.

So what this amendment would do is try to create those kinds of programs that would help lessen water conflicts—not for the good years, because in the good years there aren't any conflicts. In the good years, everybody has plenty of water; nobody really thinks about it. This is the plan for those drought years. It is almost the biblical 7 fat years and 7 lean years.

The Water Conservation Program that is included in Chairman HARKIN's bill is the first tool we will have in the Federal farm policy to actually address the program. This program actually is very familiar. Most farmers know about the CRP program, the Conservation Reserve Program. Farmers know that program. The program is extremely popular. This follows it. In fact, under the new water conservation program, a farmer could enroll land in the program, reducing farming on that land, but it is totally voluntary. This is not something where Big Brother comes in saying you to have to do it. It is totally voluntary. You can't transfer anything anyway if your State has already passed a law saying you can't.

It is really designed to put as much power in the hands of the farmer as their own State would allow. Instead of focusing on wildlife, for example, wildlife improvements on the land, the farmer could agree to transfer the water associated with that land to provide water for fish and other wildlife, something that those who hunt, fish, or just are concerned with the environment should like very much.

It actually operates basically the same way as every other conservation program in this bill. All the protections have been built in here, protections of saying that you can't override State law. You have to make it voluntary. The farmers and ranchers themselves are going to make these decisions. We have done this in CRP.

We have done the Conservation Reserve Program in the past. That has proved very popular. I have some very careful farmers in my State, good

Yankee stock. They want to make darn sure they are doing something that protects the farmers' sons and daughters afterwards. They sign up for the CRP because they know it works.

I know the Senator from California is here. I yield to the Senator from California.

The PRESIDING OFFICER (Mr. DAYTON). The Senator yields the floor for a question.

Mr. LEAHY. I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Vermont has yielded the floor. Senators may compete for recognition.

The Senator from California.

Mrs. BOXER. I say to my friends, I will be brief and to the point. I thank my friend from Vermont. This particular part of the farm bill is very important to our State that is having so many issues surrounding water, the availability of water, and the ability to have enough water for everyone—for the farmers, for the urban areas, for the suburban areas, for the environment, for fish and wildlife.

I had the experience of taking a hike along a river that is pretty dry. It is in a State park. They have a wonderful series of parks along this river that is now so dry. This was the place where the salmon would come. There is nothing sadder than seeing this happen, seeing us lose our habitat. It is our responsibility to make sure we do right by the environment, right by the farmers, right by the urban users, right by the suburban users. That means we all have to live within this gift we get from God that sustains us—the water. We have to use it wisely. We have to be smart about it. We have to share it. If we do that, everyone will thrive in the end.

What Senator REID has done by his excellent work on this bill—and I so much oppose this move to remove it from the bill—is to understand this reality, that this is a precious resource, this water; that we do need it for all the stakeholders. We know when we took up the issue of the Klamath what a terrible situation we had there with the farmers literally crying because they didn't have enough water to farm. They didn't have an option to sell what water they had.

What Senator REID does, through a leasing and a purchase program, is to make sure that on a voluntary basis farmers have the option to lease or sell some of their water. For example, suppose they choose to go to another crop and they need less water. They can go to that other crop and then sell the excess water that they have and increase and enhance their incomes.

This is something that is very popular. In my State, I heard from farmers who really support very strongly what HARRY REID is trying to do. They tell me this would be a welcome opportunity for them. So when people get up

and say the West this and the West that, you can't speak for the whole West because there are farmers in my State, in my region, who believe this kind of a provision is going to help them survive. Let me repeat that. This kind of provision will help them survive. They have told me that. They have written this to me.

Therefore, when Senator REID was putting together this provision, I thanked him on behalf of those farmers who call the Reid provision a win-win situation. Farmers could sell water they could not otherwise use and, in exchange, get funds they need to keep on going, and fish and wildlife get the needed water.

I find it interesting that in this debate some on the other side talk about the big, bad, evil Federal Government coming in and stealing water away from farmers. First of all, I know Ann Veneman, and I don't think of her in that way, and I don't think of the Federal Government as evil. I think people see the Federal Government as a necessary tool for them to do the right thing, whether it is in foreign policy, domestic policy, or protection of the environment. I don't think this administration, or any administration, would come in like Big Brother or Big Sister and disrupt a farmer's life. On the contrary, I think in fact that because this is voluntary, this is an option for farmers.

In closing, I don't need to go on at great length. I wanted to support my colleague from Nevada, the assistant Democratic leader, who I think has done an incredible job of crafting a very good provision. I am disappointed that we always seem to pit farmers against the fishing people, fishing people against the urban and suburban people. In California, we have learned that we have to live together. We don't come to this floor—Senator FEINSTEIN and I—picking a fight with any of them. We try to bring everybody together. Senator REID has done a good job in trying to bring all the stakeholders together. In this case the farmers stand to win, the environment stands to win, the fish stand to win, as does the wildlife and everybody else.

I think what I hear on the other side of the aisle is the old water wars, the old language, and it is the old threat, the old gloom and doom. I urge colleagues to work with Senator REID, give this a chance. I think this program could work. It could be a win-win for everybody.

I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. CAMPBELL. Mr. President, I will limit my comments. I want to say this while Senator REID is on the floor. I used to live in his part of the country and I understand his concern. If you haven't spent much time in Nevada—I listened to his comments. I listened

about Pyramid Lake and Walker Lake, two lakes that rivers come into. And there is a place called Tumble Sink in his State—the only place in the United States where the further you go downstream, the smaller the river gets, until it just disappears.

I think this is a question that probably should have been fully debated, with some kind of a hearing, and not attached to this bill. The Senator from Montana, Mr. BURNS, mentioned what we often call the law of unintended consequences. That is what I am concerned about, too, without adequate input. I know this may help a rancher or a farmer survive, but I can tell you they won't survive very long once the water is gone. I don't know how many Members of this body farm or ranch. I know there are several, including me. You might make a short-term agreement to sell or lease some water, but if there is a change in the water usage and you don't get it back, that is the end of your farming and ranching in the arid West, where we have to store something like 80 percent of our yearly water needs.

As I understand this part of the bill, the Secretary of Agriculture can acquire the water for purposes other than agriculture during this period of time, even though I understand it is on a willing-seller/willing-buyer arrangement and that he cannot participate in a CRP unless he also agrees to the water provision. You take them both or you get neither.

Now, I am reminded of something that happened. I did a hearing on water in Fort Collins, CO, about a year and a half ago. One of the men who testified—I was thinking about him when I was listening—was a man, like a lot of ranchers, who moves his water around, depending on what he is planning and where he wants the irrigated water to go. He had a field that was dry as a bone, and he had ample water rights. So he put a ditch in to carry some of the excess water he already owned to this very dry field. Lo and behold, the field obviously came up very rich and beautiful and produced a wonderful stand of hay. Since there was water and seed in the ground, a little mouse moved in called a Preble's meadow jumping mouse, which is on the Endangered Species List, or the Threatened Species List.

As you know, the Endangered Species Act takes into consideration habitat. Once the mouse moved in, he found he could not move his ditches anymore from there because it was declared habitat for that mouse. That is one of the concerns with this. Maybe it will work fine; maybe it won't.

What if the rancher agrees to take his water out of production and put it in this Federal designation for a period of time, and wherever that water is—as an example, out West—it is used for something else and, therefore, where it

was in those fields is now dried up. As you probably know, there is a program in the West reintroducing the blackfooted ferret on the Endangered Species List. They are beginning to grow little by little. There are a few more colonies established. What if something like that moved into that area where he had his water because they live on prairie dogs and live in dry ground, not near water? My question would be: Is there a possibility that he could not get his water use back because that land he had irrigated might then come under some kind of a criterion that would prevent him under the Endangered Species Act?

It is that kind of unanswered ambiguity about this section that makes me oppose it. I am not opposed to the concept. I am always looking for ways that farmers and ranchers can survive because it is not easy. We have more ranchers and farmers in the West whose wives are now driving school buses to make ends meet. It is a tough lifestyle. There is no question that as the urbanization takes place in the West, there is going to be a bigger need for water.

Maybe someday we will have to change the way we use water, as they do in Israel and other dry countries where they have gone to drip irrigation and other things, rather than flood irrigating, which is so wasteful of water. But under the water law that exists now in the Western States, I think this could really upset things, even though the language says it cannot be done without the approval of the water authority. Something, it seems to me, should be fleshed out completely through hearings and much better debate, rather than simply in the last few minutes before the agriculture bill moves.

With that, I thank the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAPO. Mr. President, I rise in opposition to this section of the bill and in support of the amendment to strike it as well. I think it is important as we debate this amendment we recognize that the Senate Agriculture Committee never considered this provision. It was never raised in any of the hearings we held on the conservation title of the farm bill earlier this year, nor was it included in any version of the conservation title on which this committee has worked. It has simply been introduced on the floor now while debating the bill. It hasn't been vetted nationwide.

We are in the process of debating it now, as water users, water lawyers, and those who are involved in this issue around the Nation are hurriedly trying to evaluate it and get their information to us to determine what impact and what consequences it will have. I believe the law of unintended consequences, which was discussed by several other Senators here, is going to be



played out if this becomes law and we will then see what happens without having had the kind of thorough evaluation that it deserves in this body.

What the proposal does is to adjust the CRP, which is a very useful and time-tested program in the conservation title of the farm bill that has been extremely successful over the years in helping us to improve the habitat for wildlife, and for fish, and for species around the Nation by addressing those concerns without doing it in the context of the Endangered Species Act but doing it in the context of the conservation effort that we seek to achieve in our farm policies in this Nation.

In fact, I have worked very hard this year and in the last couple of years to put together a conservation title for the farm bill, and a part of that conservation title is to try to expand the CRP to make it even more useful in protecting habitat and improving circumstances nationwide for our wildlife.

Yet we have not seen this effort to try to hook Federal acquisition of water rights into the administration of the CRP until today. I have worked very closely with many of the Senators in the Chamber in other efforts to protect and strengthen our salmon and steelhead in Idaho under the Endangered Species Act, another endangered species as well.

I worked hard to improve the Endangered Species Act to authorize our landowners to have habitat conservation plans and options where they can commit to use their land in certain ways that will help achieve the objectives of the Endangered Species Act and protect them from some of the onerous implications of the impacts the act may have on them in the administration and use of their land.

Never until today have we debated a proposal to merge the CRP with the Endangered Species Act and to do so in a way that facilitates and, in fact, initiates the Federal acquisition of water rights. That is what is causing such a significant concern around the country.

In my discussion with the Senator from Nevada earlier, he acknowledged that, although there is a lot of talk about the use of the voluntariness in this package, it is only voluntary in the sense that a farmer does not have to participate in the CRP if he does not want to give up his water rights. But with regard to this 1.1 million acres that is outlined in this proposal, any farmer in America has only one choice: Either do not participate in this part of the expansion of the CRP or give up your water rights, either on a temporary or permanent basis. Such a choice, in my opinion, is not very voluntary.

In fact, it will cause a lot of farmers who otherwise would have taken advantage of this expansion of the CRP to do really good things on their land

and improve habitat to say: I am not going to give up my water rights. So I am not going to participate in this program and they will make that so-called "voluntary" decision, but what it really means is they have been deprived of this ability to participate in the expansion of the CRP because the condition of giving up their water rights has been placed on it. That is what the debate comes down to.

Why is it necessary for us to expand into the CRP the Federal effort to gain control over water by acquisition of water rights and to fund it so the Federal Government can then come in with the deepest pocket in the market and buy water rights with the pressure or the tool of access to the CRP used as the hammer?

The real debate here is: Why are we seeing this? I think the reason is one that has been suggested by several of the others who have spoken. Historically, we have seen an increasing effort by the Federal Government to gain access to and control over the water in this Nation. That is a continuous issue we fight often in the West, and I know in other parts of the country it is fought as well. So there is an automatic alertness by those who own water rights or who deal with water rights or who seek to manage the water issues in the States, when they see a new program with Federal dollars being pumped in and Federal conditions being brought in to a program that otherwise was working wonderfully with the purpose of saying we are going to utilize this good program and restrict access for it to the new people who want to get in and do so on the basis that the only way they can use it is if they give up their Federal water rights.

In a sense that is voluntary because they do not have to do it, but it is making it so anyone who wants to participate in the expansion of the program cannot do so unless they fall within this provision.

The proposal I have made, and I hope still will be the one that prevails in the Senate with regard to the CRP lands, is indeed we focus our expansion of the CRP on those buffer strips and those areas where we can have the most impact on habitat for wildlife, but not do it in a way that excludes every landowner in America who does not want to give up their water rights.

Let's not create just a limited application of this new expansion of the CRP in a way that would essentially disqualify everyone who is not willing to give up their right to water. That is my biggest concern with regard to the so-called voluntariness issue and the purpose behind this legislation.

Another point I think is critical to make is that those who advocate this provision say it is important we protect these threatened species and species that could be benefited if the Fed-

eral Government could take control of this water and utilize it for their benefit. It is a good point. Utilization of the water resources of this Nation for the benefit of species is critical, and yet under existing Federal laws, such as the Endangered Species Act, the Clean Water Act, and so forth, and under existing State laws, almost everything that has been discussed as a very positive thing that should be done under the Endangered Species Act can already be done.

If you stop to think about it, as the Senator from Montana already said, the Federal Government can already buy water rights in a willing buyer/willing seller arrangement. What is being added here is that lever or that hammer that says you cannot any longer participate in the expansion of the CRP unless you sell your water rights. Just a little bit of a hammer—maybe not such a little hammer—on the water users of this Nation.

Yet already we are achieving some of those objectives under the existing law. For example, in my State of Idaho, the need for water for salmon and steelhead has long been established, has been debated actually, but has long been something that has been sought to be addressed under the Endangered Species Act. For years, hundreds of thousands of acre-feet of water in Idaho on an annual basis have been made available on this true willing buyer/willing seller basis where the Federal Government has come in and obtained on fair evenhanded negotiations the ability to get water out of the waterbank or out of some projects or out of water users who do not need it for that year and to utilize it for the salmon and the steelhead.

That can be done, but it does not have to be done with the added hammer of prohibiting access to the CRP.

In the State of Idaho, for example, the U.S. Bureau of Reclamation, as I indicated, has been able to rent water from the State waterbank from willing sellers for almost a decade. Recently, in another context, the Bureau has rented water in the Lemhi River area, a tributary of the Salmon River for the benefit of species. All of this was done under State law and Federal with the current system.

I have a letter from the Governor of the State of Idaho who asked us to oppose this legislation because it is in conflict with Idaho's water law and because, as he says:

In addition, the goal of implementing water quantity and water quality improvement demonstrated to be required for species listed under the Endangered Species Act can largely be achieved under existing State laws.

The Governor goes on to give examples that explain we have those abilities and the desires in the States right now to achieve these objectives.

What this comes down to, frankly, is: Are we going to modify and take a step

into the arena of our conservation title of the farm bill now and modify the CRP in a way that creates a hammer to force those who would like to participate in it, would like to improve the habitat under this program, would like to take the incentive that it provides and say: You cannot do it unless you give up your water rights? Or are we going to use the existing voluntary basis of addressing these issues under the Endangered Species Act, in terms of obtaining and utilizing water rights, and let the CRP work as it has been intended to work and as it has so effectively worked over the last years to let farmers, without having to jeopardize their water rights, do those things they know are going to benefit the species that reside on their property?

I think that it would be better, actually. If you want to look at what is going to actually result in the best results for species and for wildlife in general in the United States, I think it is going to be best if we allow those who own land and who operate land in agricultural endeavors to continue to utilize this expansion of the CRP program without the threats of giving up their water rights because you will have many more people willing to participate then, many more lands that will be available and be competitive for this expansion, and the Secretary will be able to have a broader array of choices in terms of the allocations of the new CRP land.

A last question that perhaps the Senator from Nevada can answer, a question raised by some of the water users as they struggle to evaluate what will happen: What happens if a water user who enters into a contract with the Secretary agrees on a temporary basis to give up his water rights and then chooses, for whatever reasons—economic reasons or whatever—to break out of the contract and go back into production? I understand there are financial penalties for that. That is understood. By then taking that water back from the Federal Government's utilization to the utilization of the farmer, which I assume would be possible, would that then result in a section 9 violation of the Endangered Species Act by taking water away from a species?

A lot of questions come up under this law as to what will happen if this new regime for utilization of water is implemented. I know the Senator from Nevada says State law is not being superseded. The fact is, under the State laws in the West, many different evaluations have to be made before a water right can be transferred. In many cases, the water right is actually owned by a canal company or irrigation district, not by the land owner. So permission there would have to be obtained. Then approval from the State water authorities would have to be obtained.

I assume from the answers we have gotten that would be left in place and no farmer would be able to participate unless he got approval from the entities that were the actual owners of the water and from the State that manages the water. Again, that will limit dramatically the number of people who can take advantage of this expansion of the CRP. But assuming that is in place, what happens if the Endangered Species Act becomes applicable to the new utilization of the water regime and the farmer wants to take it back? We have a lot of questions that need to be answered.

In summary, we have not had a chance to thoroughly vet this issue. It has not been reviewed in committee or hearings. There is a tremendous amount of unrest building and developing around the country over what this will do. The bottom line is, there is no established reason for trying to connect the Endangered Species Act and the desire for expansive Federal control over water to a very effective CRP that is doing its job under the conservation title of the farm bill.

I encourage those Senators who will make their decision on this issue soon as we come to vote on it to recognize we should reject this section of the farm bill and support the amendment to strike this provision and work in a collaborative fashion to develop the approaches to the farm bill that will expand and strengthen our conservation title, but not do so in a way so divisive.

I conclude with this. I have maintained for many years probably the most significant piece of environmentally positive legislation we have worked on in Congress is the farm bill. It has tremendous incentives in the conservation title to make sure the private land users in this country and the way we utilize our agricultural land and its production are incentivised for good, positive, conservation practices that benefit species, our air quality, our water quality, and the like. That is what this conservation title does. That is what the CRP is designed to do. Do not saddle the CRP with this unnecessary effort to extend Federal control over water and Federal acquisition over water. Let the CRP work as it was intended.

The PRESIDING OFFICER. The senior Senator from Idaho.

Mr. CRAIG. Mr. President, I join with my colleague and partner from Idaho with what I think is, for Idaho, an arid Western State, probably one of the more critical debates of new farm policy for our country.

Those who live east of the Mississippi have no comprehension of the value of a raindrop, the value of a bank of snow, or the value of a large body of water retained behind an impoundment, known as a reservoir. My forbears and Senator CRAPO's forbears for generations have recognized the value of storing water

under State law and allocating this very scarce commodity to make the deserts of the West bloom and to become productive.

There is no question in anyone's mind, I hope, that the ability to allocate water is the sole responsibility of the States. That is a fundamental right that has been well established in law. While oftentimes disputed by those who disagree, it is rarely ruled against in court.

Why are we gathered here tonight? Because an amendment would propose in some nature, yet to be argued, that that fundamental principle of western water law is somehow overridden by a Federal law.

My colleague from Idaho was very clear in pointing out the rather perverse incentive created within this bill. The authors take a very popular conservation program known as CRP and suggest if you wish to enter it anew, somehow you have to give up something increasingly more valuable. That has never been the concept. The benefit of CRP and the intent of CRP—and I am one who has been here long enough to say I was there at the beginning of this idea—said it was to take erosive lands out of the market, give that land owner something in return for the value of the conservation that would result.

What has happened in the meantime is a well established record that these lands once tilled were turned into grasses and stubbles and root base that held the water, stopped the erosion, and became some of the finest upland game bird habitat in the West.

In my State of Idaho, it is an extremely popular program where pheasant, chukar, and sage grouse now flourish because of the program. The incentive was the right and natural incentive. It was not: I want to provide you something, but to do so, I want to take something away.

The Senator from California, a few moments ago, opined about the fact of a dry river bed. I am not going to suggest States have allocated their water always in the proper fashion. We in the West are in a tug today, a tug of war over water because we are populating at a very rapid and historic rate compared to the last century. Agriculture, some manufacturing, and human consumption were the dominant consumptive uses of water. We failed to take into recognition the value of fisheries on occasion or riparian zones. We now understand that.

But here is the catch-22. My State, for 100 years, added to its water base. My State created more water than that State ever had before the Western European man came. Why? Because we created impoundments, we saved the spring runoff, and we increased the abundance of water in my State by hundreds of thousands of acre-feet. But about a decade and a half ago, because



of environmental interests and attitudes, we stopped doing that. The Federal Government said: We will build no more dams. It is not a good thing to dam up rivers. So it stopped. We stopped adding water to a very arid Western State. And it is true across the West. So we locked into place the amount of water that was there. We could add no more.

Two decades ago, I joined with the Senator from Colorado to establish a new water project in southeastern Colorado and we have fought it for two decades. It still is not constructed. Yet it would have added an abundance of new water to that corner of the State. It was denied by environmental interests and others. That is really a very encapsulated history as I know it.

Now what is happening, in an area where we have been locked into a limited amount of water, unable to store or generate more by spring runoff, we are saying you have to divide that which is currently used for other uses.

I will tell you, the arguments are pretty legitimate: Fisheries, water quality, in-stream flow, riparian zones—something we all want. It is something we all believe in. But because of the situation the arid West has been put in, when we offer up to do this, we have to take it away from somebody else. We can't add because we have no more water with which to work.

We are at the headwaters of a mighty water system in my State known as the Snake-Columbia system. The mighty Snake River begins just over the mountain in Wyoming, springs through Idaho, and picks up the tributaries and dumps from the Idaho into the Columbia River, and our rivers and our streams are the habitat for salmonoid fisheries—salmon, a marvelous species of fish. They come up from the ocean to spawn, and their offspring go back to the ocean. That has become an increasingly important issue in my State because they are now listed as endangered or threatened under the Endangered Species Act.

The State of Idaho has sent upwards, at times, of 700,000 acre-feet of their water, under law, downriver to help those fish. But there are those who want more.

As my colleague from Idaho said, the Bureau of Reclamation in Idaho is, in fact, acquiring water from Idaho and its willing seller. That is the appropriate thing to do. It is not an adversary relationship. If you have surplus available and it is in a nonuse way, we will acquire it and put it to some other use.

But that fight doesn't occur here in the Nation's capital. It occurs in Boise, in Idaho's capital, in the State capital of our State where water law, water fights ought to exist. If you are going to fight water in Colorado, you fight it in Denver, you don't fight it here, be-

cause it is not our right to do so. If you are going to fight water in New Mexico, you fight it in Albuquerque.

And we will have those fights. The West is replete with a history of water fights. Why? Because it is a scarce commodity. It is a lifegiving commodity—to the human species, to the fish, to the wildlife, to the plants that become the abundant crops that have made our States the great productive States that they are. But it was the men and women of Idaho from the beginning who decided how Idaho's water ought to be allocated—not the Federal Government, not the Agriculture Committee of the Senate, not the Secretary of Agriculture, but the citizens of the State of Idaho.

So the senior Senator from New Mexico offers an amendment to strike the provision for the water conservation program as proposed by the Senator from Nevada, and he is right to do so. It doesn't mean a program such as this couldn't exist. It doesn't mean a program such as this should not exist. But if it does exist, it ought to be the right of the State to decide whether its citizens can participate in it because it is the State's right to decide how that water gets allocated and not the Federal Government's.

When I first came to Congress in the early 1980s, there were some very wise environmentalists who were scratching their heads and saying: Wait a minute, if Idaho is 63 percent owned by the Federal Government and the citizens of the Nation and most of the tops of those watersheds where that water system of the West begins are Federal land, why isn't it Federal water? And there was a thrust and a move to take it.

We blocked it. We stopped it. Why? Because of the precedent and the history and the reality that when you are in a State such as mine and that of Senator MIKE CRAPO, where we get about 15 inches of rainfall a year, water is sacred. What do we get here, 60-plus in a good year? People east of the Mississippi don't worry about water so much. They don't realize that you have to control it and impound it. Actually, they are trying to control it to keep it off their lands most of the time, to keep it out of their farms because it floods and does damage. We have had those fights here—reclamation fights and all of that drainage kind of thing in wetlands. Quite the reverse is true out there on the other side of the Rockies, on the other side of the Mississippi.

Mr. CAMPBELL. Will the Senator yield for a question?

Mr. CRAIG. I am happy to yield.

Mr. CAMPBELL. I worked with the Senator from Idaho on a good number of water bills for a number of years. Maybe I should correct him because we have one more water project to build, and that is what he and I have been

working on in Colorado for the last two decades. But something came to my mind as I have been listening to the debate, and I would like to ask the Senator a question, since he is the only one on the floor.

Most of the western States have several problems including over appropriation, which means more people own the water than there is water. That is why we have been fighting back and forth. One of the things common to the West but not common to the East is called water compacts. We have them between counties sharing scarce water, we have them between States. Colorado happens to be an upper basin State, as it is called; California, a lower basin State; and we share the water that goes down the Colorado River. We also share the water, under a contractual agreement, that goes down the Rio Grande that starts in Colorado, that goes to Texas.

In addition to interstate compacts, we have international compacts because we have a compact with Mexico to provide a certain amount of water from both of those rivers to that nation.

Most of the water that is in ranching now recharges back to the ground. It goes back either through runoff irrigation, which goes back to the river, or if it is sprinkled, it usually recharges the aquifer to some degree. One of the big unknown questions for me is if there is a possibility, if we change the use or allow the Federal Government to change the use, it would in any way upset existing compacts. I would like to ask the Senator if he has thought about that, if he has any views on that.

Mr. CRAIG. I appreciate the Senator asking the question. I am not sure I can respond. What the Senator has clearly demonstrated though, by the question, is the complex character of western water and western water relationships. The Senator is in the headwaters of the mighty Colorado River. Yet the citizens of the State of Colorado don't have a right to drain the river because the Colorado is the headwaters of a river system that goes all the way to the Gulf of California. All of those relationships have developed over the years.

I am not sure I can answer that question. I think it is literally that technical. That is why, when somebody says, Oh, this causes no problem—until you review it and put it into the context of the law that governs water, a clear answer cannot be given. And I am not a water attorney.

Mr. CAMPBELL. Exactly the point. We don't know the problems that will be created, and that is why I think it is wrong to move forward with this bill with this section in it until we have had some really in-depth hearings as to how it would affect water in all the States of the West.

I appreciate the time.

Mr. CRAIG. The Senator from Colorado also mentioned something else in the context of his question that I think is often not understood. The Idaho Fish and Game Department would tell any citizen, or any questioning person, that there is more wildlife and more abundance of wildlife in Idaho today than ever in our known history except for maybe prehistoric times. Before the crust shifted and the glaciers receded totally, we were a fairly tropical area, and there may have been a more abundant wildlife at that time. But I am talking about known history.

We have more wildlife in our State today, in the general sense, than ever in our State's history. They will tell us very simply why. There is more water.

While some of our citizens are concerned that it isn't where they would like it to be as it relates to their particular interest—whether it be a fish or a riparian zone—the abundance of deer, elk, antelope, and some of our upland game birds is in direct proportion to the amount of water that is now being spread upon the land by humans. It is that multiplier that I talked about earlier on that Idahoans have been increasing the overall volume of water in their State, on an annualized basis, ever since we set foot in the State and began to homestead it and turn the land and make it productive.

For example, we used to flood irrigate, spread the water openly on the land, over the Idaho aquifer. Because we wanted to conserve the water, we have moved from flood irrigation to sprinkler irrigation.

We dramatically reduced the amount of water that is now being returned to the aquifer. We changed the very character of a climate that we created in the beginning upon which wildlife depended. Herein lies the question that needs to be asked of the impact of what the Senator might want to do with his amendment.

Let us suggest that you, for a period of time, leased your water from a given acreage of land and it became arid, and certain wildlife moved on the land that liked arid land. Then, later on, you chose to irrigate the land which might drown out the particular arid species and somebody filed on you because you were threatening that species and risking its endangerment. Are you in violation of the law when you say you are only returning the land to its pre-existing use?

Let us say you dried up the land and caused the species that were rare to leave because the lack of moisture turned it arid.

Those are all the kinds of simple complication because we have made the law so critical and caused some of our friends to become such critics. Those are reasonable questions to ask.

In the West and in the arid regions of our country, a long while ago this Congress recognized how important it was

for those who lived in the arid areas to determine the use of the water. Some scholars called it the oasis theory. My grandfather said that very early on when he was homesteading; he homesteaded where the water was. Why? Because it is life for you and your family, and the livestock. In that case, it was my granddad's sheep ranch. It wasn't by accident that he became the owner and controller of water because it was a very limited commodity and it allowed him to grow and to expand his business, if he had to.

That has been the history of the West. That is why we must not allow this amendment to exist. I am not saying the purpose isn't right, nor am I saying the Secretary of Agriculture might not want to ask the State to participate. But they ought to be asking and the State ought to have a right to say yes or no, and there ought not be any perverse incentive that if you do not, you won't get something in return that others can get.

That isn't the way conservation programs ought to be developed. There ought to clearly be incentives. The additional CRP offers just that. It has been a very successful program in the foothill countries of the upland areas, in the steep countries, and the erosive lands that were once farmed. That is what ought to happen this time.

I hope we can work out those differences. If not, we will have to not only attempt to strike, as the Senator from New Mexico is now attempting to do, but we will have to follow any effort through to conference and work with our colleagues in the House to make that happen.

That is how critically important this is for the West and for all of us involved.

I yield the floor.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, we are going to put ourselves in a quorum because the principals involved are working on a way to resolve the issue that is brought to the Senate in the Domenici amendment to strike. That is why we are not going to be speaking for just a while. We hope we are saving time by doing this.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. Mr. President, I rise in strong support of Senator DOMENICI's amendment to strike the conservation provisions of this legislation.

As former chairman of the Energy and Natural Resources Committee with jurisdiction over western water, and now the ranking member, I have labored with my colleagues for a good deal of time to try to resolve these issues. This proposal coming in without any hearings, and without any input from the Western States that care so much for their prosperity over water, and this particular portion of this legislation is absolutely premature and inappropriate. It doesn't belong in here.

Senator DOMENICI's amendment to strike the conservation provision is something I wholeheartedly support. We simply do not need to have another program with the intent of taking water away from farmers. That is just what this does.

This program, as I indicated, has not had a hearing, and it will directly affect programs within the jurisdiction of our Committee on Energy and Natural Resources. It took us years and years to craft and enact the Upper Colorado Fish Recovery Program. I am of the opinion that this could be adversely affected if these provisions are adopted.

We are presently in the midst of considering reauthorization of the CALFED Program in California. I know Senator FEINSTEIN worked very hard on that. Its effects on Federal and local obligations in the Central Valley of California are paramount. This new program could significantly affect the effort and directly increase obligations of Federal contractors in the Central Valley.

There is a multispecies program under consideration in the lower Colorado that could be directly and adversely affected as well.

Further, there is not the slightest reference to the requirements of reclamation law, and most farmers west of the Mississippi are dependent on the operation of reclamation law. That is what they are governed by; that is what they live by; that is the gospel. There is no reference to that.

As a consequence, these people have to feel very uneasy and very insecure about this proposal.

Again, there is certainly justification for Senator Domenici's amendment to strike. The entire chapter in the Daschle amendment should be introduced as separate legislation. It should be referred to the proper committee, the Committee on Energy and Natural Resources, and have full hearings. Consideration should be given before any action is taken.

I certainly don't subscribe to the theory that these programs are voluntary. We have seen too much of that.



We have ample evidence from the last administration of the ability of the Federal Government to coerce people to agree. We also had ample evidence from the last administration of their ability to use Federal law to reinterpret State water law. Secretary Babbitt's proposal by regulation to declare nonuse to be a beneficial use in the Lower Basin of Colorado is evidence of that.

There is nothing to give us any comfort that another Secretary, such as Secretary Babbitt, could not use this authority to completely abrogate State water law and force the farmers to adhere or simply go out of business.

I support the amendment by the Senator from New Mexico to strike these provisions. I urge my colleagues to do the same. I think we have discussed this to the point where it is evident and clear that this is not good legislation.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. CARNAHAN). Without objection, it is so ordered.

Mr. DOMENICI. Madam President, I think that the debate was a very good one. I think we all understand each other much better. Senator REID and I have reached an agreement, and my fellow Senator from New Mexico has been a participant and a helper.

#### AMENDMENT NO. 2502, AS MODIFIED

I send to the desk a modification of my amendment, the strike amendment. This amendment, as modified, is offered on behalf of myself, my colleague, Senator BINGAMAN, and Senator REID.

The PRESIDING OFFICER. The Senator has that right.

The amendment is modified.

The amendment, as modified, is as follows:

On page 130, line 9, insert the following: "Before the Secretary of Agriculture begins to implement the program created under this section in any State, the Secretary shall obtain written consent from the governor of the State. The Secretary shall not implement this program without obtaining this consent. In the event of the election or appointment of a new governor in a State, the Secretary shall once again seek written consent to allow for any new enrollment in the program created under this section in that State."

Mr. DOMENICI. Now, Madam President, rather than explain it, I will just read it. Then everybody will understand what we have done is make this a consensual program. That means that the Governor of the State must agree for his State to be in this new program. And that right is given to

each Governor if, in fact, there is a new Governor while the program is still in existence.

So I am just going to read it:

Before the Secretary of Agriculture begins to implement the program created under this section in any State, the Secretary shall obtain written consent from the governor of the State. The Secretary shall not implement this program without obtaining this consent. In the event of the election or appointment of a new Governor in a State, the Secretary shall once again seek written consent to allow for any new enrollment in the program created under this section in that State.

I yield to Senator BINGAMAN who wants to comment.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Madam President, I thank my colleague. First, let me compliment him for raising concerns about the provision. I also compliment Senator REID for his commitment to try to help deal with some of these issues requiring additional attention to water conservation in the West.

I do think that is a real need. It is a real need we see all the time. Senator DOMENICI, my colleague, raised questions about the particular program and how that would affect our States and whether it would be an appropriate program to implement. Those were very valid questions.

This modification that Senator DOMENICI has now sent to the desk, on behalf of himself and me and Senator REID, is a very good compromise. What it does is make it very clear that each State can make its own determination as to whether this is a program in which it wants to be involved. If it does not, then clearly it should not be forced to do so. This is a very good result. It certainly meets our needs in New Mexico.

I compliment Senator DOMENICI for this modification. I compliment Senator REID as well for his leadership on this whole range of issues.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, so the record is clear, I want everyone to know that Senator DOMENICI and Senator BINGAMAN have been most reasonable in their approach. We early on tried to get an opt-out provision. This makes much more sense and is mechanically something that will work very well. I also appreciate the dialog we have had off the floor with Senator CRAPO, who is a water law lawyer. He is going to come back later with some other questions he has. We will be happy to visit with him.

I am grateful for moving this issue along. As I have said all along, this is one of the real strong points of this new bill. I am grateful this amendment will be accepted shortly.

Mr. CRAIG. Will the Senator yield?

Mr. REID. I am happy to yield.

Mr. CRAIG. I appreciate what the Senator is working to do with our col-

leagues from New Mexico. This is a vast improvement without question over what I believe is a major intrusion into water law and the very reclamation laws that many of our colleagues before us have written. I am not quite sure we have bridged the gap yet. I do believe there is a very real precedent here that is risky at best as it relates to our reclamation laws.

This particular amendment has not withstood that test. Nor has it had the very intricacy of water law reviewed against it. That is critical.

I know the intent and the good intentions of the Senator from Nevada. This is a phenomenally complicated area. To study water law today and to look at the court proceedings over the last decades would argue that very clearly.

My colleague from Idaho has spent a good deal of time with water law. I am not a lawyer; I have not. But I do recognize a precedent when I see it and something that is new and unique to a very important body of law. I hope we can continue to work to perfect this. I do believe there is a very clear perverse incentive here that no person, nor public policy, should have embodied within it.

I thank the Senator for yielding.

Mr. REID. I respond to my friend from Idaho, his elucidation is the reason we have the States having the obligation, if they want in this program, to say "we want in the program." I think from what the Senator outlined, if a State doesn't want in, then they don't come in. As I have indicated earlier in my remarks, I would be happy to work with Senator CRAIG's colleague, Senator CRAPO, who now is in the Chamber, to see if we can come up with something that will meet his questions and some of his concerns.

I have indicated to him that I certainly will not reject outright anything he has to say. I have an open mind and would be happy to visit with him. I have also indicated to Senator KYL that there is absolutely no question that this has nothing to do with changing State law. The Senator has indicated at a subsequent time he will submit to us some language, and we will be happy to take a look at that, if he believes this language in our legislation is not clear enough. He also has had experience in water law, as has the Senator from Idaho. I would be happy to take a look at that.

I have had great experience working with the Senator from Arizona, who has been extremely important in our working on one of the most difficult water problems we have had in the entire West. The State of Arizona and the State of Nevada were at war for about 3 years, a bitter water war. As a result of our help and the water expertise of the Senator from Arizona, and perhaps a little of my political work on the issue, we were able to work something out. So now the States of Arizona and

Nevada are working together hand in glove.

I look forward to working with these Senators in the near future on this issue.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, parliamentary inquiry: Has the amendment been adopted?

The PRESIDING OFFICER. It has not.

Mr. DOMENICI. I yield back any time we might have on the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? The Senator from Idaho.

Mr. CRAPO. I was not on the floor when Senator DOMENICI made his request. What is the status of the procedure at this point?

Mr. DOMENICI. I should have stated that when the Senator arrived. I had the privilege of offering a substitute amendment for my amendment to strike. I merely substituted the new one for the motion to strike. So if it is adopted or when it is adopted, we will have accomplished one significant step. And that is that the program cannot be implemented in any State without the concurrence of the Governor of that State in writing.

There remains other issues that do not have to do with the consent and whether the program can be used in a State, but rather how will it be applied vis-a-vis the 1.1 million acres that were intended for Western States, for States, under this new provision. The Senator is working on that. He now has some other people working on it. I have the utmost confidence that he will come up with some language. I anxiously await it, and I will be there to help and support him. I think we have eliminated a major concern our States had, and that was that this law would be there, and it would be a new imposition. Even if the States didn't want it, if they thought it was not good, they would be stuck with it. I think we have eliminated that. All of the things we think are perverse about that are not going to happen.

I thank the Senator, because I didn't do it heretofore, for his help. He has been here most of the afternoon. I do believe together we made an important contribution. I thank the Senator for that.

Mr. CRAPO. Madam President, I would like to make a couple comments on the amendment before we vote, if I might.

The PRESIDING OFFICER. The Senator is recognized.

Mr. CRAPO. Madam President, I will support the amendment Senator DOMENICI from New Mexico has proposed. I appreciate the opportunity to work with him, and I believe he has done a tremendous job in identifying a serious problem and getting, as he indi-

cated, a significant part of it solved. There is still an additional problem with which I have a concern. That is, even though we now have reached an agreement which will basically provide an opt-in situation in which the Governor of each State has the authority to determine whether his State or her State will opt into these provisions, the problem we face is that the States that choose to opt out or to stay out are then deprived of their ability to participate in this 1.1 million acres of CRP land that is being added to the CRP.

There is a hammer there on the States now to either opt in or not have access to this expansion of the CRP.

I have discussed this issue with the good Senator from Nevada, and I appreciate his willingness to work with me on trying to resolve the issue. He has agreed that we will try to work out the differences and, hopefully, be able to come forward with a unanimous consent request or some type of approach that is agreed to. But if not, we will be able to propose additional amendments to try to address this issue, including striking the provision, if we are not able to work it out.

I appreciate all of those here who have worked on this matter. Senator CRAIG has worked diligently, and Senator DOMENICI has worked so strongly in bringing this forward. I appreciate the willingness of Senator from Nevada, Mr. REID, to try to iron out the concerns we have on western water law. I believe several other Senators from the West have strong concerns. They may want to make brief comments. I will support Senator DOMENICI's amendment.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I made a mistake. I should have included as a cosponsor of the Domenici amendment all of those who are cosponsors of my motion to strike. They have indicated they want to be on the amendment. We don't have any objection; quite the contrary. I ask unanimous consent that they be original cosponsors as it is tendered to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arizona is recognized.

Mr. KYL. Madam President, I thank Senator REID for the comments he made. He is absolutely right that after years of acrimony, representatives of the State of Nevada and Arizona solved a real difficult water issue which became a win-win for both States. I am hoping that the kind of work we need to do in the Senate on this proposal can likewise result in win-win situations.

Western water law issues become very complex very quickly, and we want to ensure that nothing we do here in any way adversely affects the long-

established, traditional water policies of the West. Senator REID has assured me that it is not his intention that this legislation be contrary to State procedural or substantive water law, interstate compacts, or, of course, Federal law. We are preparing language that will affirm that.

I appreciate the Senator's concurrence in that view. Given the comments of Senator DOMENICI, I am prepared to support his amendment as well. There are additional concerns that I have about this. We will try to work those out and deal with them in an appropriate way.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment, as modified.

The amendment (No. 2502), as modified, was agreed to.

Mr. DOMENICI. Madam President, I move to reconsider the vote.

Mr. HARKIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. Madam President, I wish to inquire of the Senator from Iowa, if I might get his attention. First of all, I congratulate those who worked on this amendment. It sounds to me as if they have done a lot of hard work in reaching a solution. I inquire of the Senator from Iowa and, perhaps, the Senator from Indiana of the progress in trying to find a list or to elicit information about what kind of a list of amendments might be about to be offered on this bill. The reason I ask the question is, it is 6:30 this evening and, of course, we are nearing the end of the session. It is coming very close to Christmas. We want to finish this bill so we have time remaining for a conference with the House and time to get the bill to the President.

Because we have had long discussions and good discussions today on a number of amendments, I am inquiring on the part of both the manager and the Senator from Iowa and the Senator from Indiana whether we have a capability of exploring a list of amendments that might be available at this point.

Mr. LUGAR. If I may respond, Madam President, with the disposition of the Domenici amendment, the next amendment—at least on our side—that we are prepared to offer is that of the distinguished Senator from Missouri, Mr. BOND. Then Senator BURNS has an amendment that he wishes to offer, Senator MURKOWSKI has an amendment, and Senator MCCAIN has one. These are ones that are clearly identifiable at this point. Senator BURNS may have more than one amendment, but he will commence in this batting order with his initial amendment.

Mr. DORGAN. I understand there is likely to be a larger amendment, or a



more significant amendment, the Cochran-Roberts amendment—not to suggest that the others are not significant. But we have all been awaiting an amendment by Cochran-Roberts, which is not on the list. Is he anticipating that?

Mr. LUGAR. I anticipate that the Senators will offer their amendment. They have been working on it, and I understand they are not prepared to do so today. Perhaps they will be prepared to do so tomorrow.

Mr. DORGAN. If I might inquire one more time, is there an anticipation that there is an opportunity perhaps to finish this bill by sometime tomorrow evening, or does the chairman or the ranking member expect this is going to take longer than that? In the context of that, is there a time when one might be able to get a finite list of amendments?

Mr. LUGAR. I respond, respectfully, to the Senator that at this point a finite list is not possible. But it may be possible sometime tomorrow. We are attempting to canvas. I have simply identified amendments that I think are significant, and the amendment the Senator identified would be, too. The two amendments that we have dealt with this afternoon have taken about 3¼ hours and 2½ hours, respectively, so these were not insignificant debates, which Members on both sides of the aisle engaged in in a spirited way.

Mr. DORGAN. Again, I thank the Senator for his response. I invite the response of the Senator from Iowa, but I hope that perhaps we can find a way to get a list of amendments and also agree to reasonable time limits on amendments. There is Parkinson's law that the time required expands to fit the time available. So because we are nearing the end of the session, it is really important to find a way to reach an end stage. I ask the Senator from Iowa if he might respond on whether we can get a finite list.

Mr. HARKIN. Well, I hope by this evening, perhaps before we go out tonight. I will work with my distinguished ranking member, my good friend, Senator LUGAR, to see if we can get some kind of a list. It is true, as the Senator says, that the longer you stay here, more and more—it is like that old game you play at the arcade, whack-a-mole, where they keep popping up. If we don't have a finite list, those lobbyists and everybody out there who is trying to get their year-end counts up and get that year-end bonus, all their lobbying, and they can gin up all kinds of amendments around here to show the kind of work they are doing. I am hopeful that we can get a finite list. I don't know if we can do it tonight. I hope early tomorrow we can get a finite list.

I want to assure the Senator from North Dakota, and every other Senator who is listening, we will finish this

farm bill before we go home. If there is anyone here who thinks that by slowing things down or something like that, that it is going to work, it is not. We are going to finish this farm bill. We should finish it this week. I believe we can finish it this week. As long as we expedite the amendments, with a reasonable time for debate, I see no reason why we can't.

I have a letter sent to Senators DASCHLE and LOTT, and they sent a copy to me, and probably to Senator LUGAR, too. It is from a whole list of farm groups. I don't know how many, maybe 30 or more of them. They said:

We believe it is vitally important this legislation be enacted this year to provide an important economic stimulus to rural America before Congress adjourns.

This was sent on the 10th. They said:

We fully understand that policy differences exist regarding this important legislation and would encourage a healthy debate on these issues. However, we are very concerned that the timeframe to pass this legislation is rapidly drawing to a close. We believe this will require the Senate to complete a thorough debate and achieve passage of the legislation by Wednesday evening, December 12.

That is tonight, and we are not there yet. They say:

We urge you to allow Members an opportunity to offer amendments that are relevant to the development of sound agricultural policy while opposing any amendments designed to delay passage of this important legislation by running out the clock prior to the adjournment of Congress.

I can say to the signers of this letter that thus far all of the amendments have been relevant, they have been germane, they have been meaningful amendments, and we have had good debate. I hope we can continue on in that spirit and not cut off anybody, but I hope we can have reasonable limits on time. We will be here, and we will finish this bill before we leave this week.

I ask unanimous consent that the letter to which I referred be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 10, 2001.

Hon. TOM DASCHLE,  
Majority Leader, U.S. Senate,  
Washington, DC.

Hon. TRENT LOTT,  
Majority Leader, U.S. Senate,  
Washington, DC.

DEAR SENATORS DASCHLE AND LOTT: The undersigned farm, commodity and lender organizations write to thank you for your efforts to expedite the debate and consideration of a new farm bill in the United States Senate, and to urge that the legislation be completed in a timely manner without delay. We believe it is vitally important that this legislation be enacted this year to provide an important economic stimulus to rural America before Congress adjourns.

We fully understand that policy differences exist regarding this important legislation, and would encourage a healthy debate on these issues. However, we are very concerned that the timeframe to pass this legislation is rapidly drawing to a close. We believe this

will require the Senate to complete a thorough debate and achieve passage of the legislation by Wednesday evening, December 12.

We urge you to allow members an opportunity to offer amendments that are relevant to the development of sound agricultural policy while opposing an amendments designed to delay passage of this important legislation by running out the clock prior to the adjournment of Congress.

New farm legislation must be enacted this year to stimulate and stabilize our rural economy that has been in a economic downturn for five years with no turn-around in sight. Unlike many sectors of the economy, production agriculture did not share in the economic growth of the last decade and has been devastated by depressed commodity prices, declining market opportunities and increasing costs.

It is critical to producers, farm lenders and rural communities that a new farm bill be approved this fall to provide the assurance necessary to plan for next year's crop production.

We encourage you and your colleagues in the Senate to complete action on a new farm bill as soon as possible to provide adequate time for a conference with the House of Representatives in order to ensure a final bill can be enacted this year.

Sincerely,

Agricultural Retailers Association.  
Alabama Farmers Federation.  
American Association of Crop Insurers.  
American Bankers Association.  
American Corn Growers Association.  
American Farm Bureau Federation.  
American Sheep Industry Association.  
American Soybean Association.  
American Sugar Alliance.  
CoBank.  
Farm Credit Council.  
Independent Community Bankers Association.  
National Association of Farmer Elected Committees.  
National Association of Wheat Growers.  
National Barley Growers Association.  
National Cooperative Business Association.  
National Corn Growers Association.  
National Cotton Council.  
National Farmers Organization.  
National Farmers Union.  
National Grain Sorghum Producers.  
National Mild Producers Federation.  
National Sunflower Association.  
South East Dairy Farmers Association.  
Southern Peanut Farmers Federation.  
The American Beekeeping Federation.  
US Canola Association.  
US Dry Pea and Lentil Council.  
US Rice Producers Association.  
United Egg Producers.  
Western Peanut Growers Association.  
Western Unite Dairymen.

Mr. DORGAN. Madam President, I wonder if there is an expectation of having a recorded vote on the Bond amendment this evening and what time that might be expected. I do not know what the amendment is, but is it expected there will be a recorded vote required on the Bond amendment?

Mr. LUGAR. I have not inquired of the Senator as to whether he wishes to have a recorded vote. That would be his privilege and I would support that. I do not know the degree of controversy that will attend his amendment or how many Senators wish to speak on it.

Mr. DORGAN. At this point, the Senator does not know if we will have recorded votes this evening or when?

Mr. LUGAR. I cannot respond to the Senator on that.

Mr. HARKIN. I say to the Senator from North Dakota, I hope we have votes this evening. We have to finish this bill. We are here. Let's get the job done. I do not want to be here in the evening any more than anyone else. We have spent all day on this bill, and we have had two votes today—three votes. We need more than that. I see no reason why we cannot have a couple more votes before we go home.

Mr. DORGAN. Madam President, I share that view, and I encourage us to move along. I understand Senator BOND is here to offer an amendment. The quicker we move through these amendments, the better it is for American farmers.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Madam President, the staff has advised me they are working on getting a time agreement which would lead to a vote on this measure tomorrow. I will be proposing an amendment that has a number of bipartisan cosponsors. I think the cosponsors will want to speak on it. I imagine there will be others who wish to speak in opposition. Since this will be of some import, I hope we can work out an agreement on both sides for effective consideration of this amendment.

Let me describe my amendment so people will get a flavor of what we are talking about in order to come to an agreement on the time and perhaps others may want to speak on it. I hope they will because I think it is a very significant amendment.

The purpose of the amendment I wish to propose is to provide some protection to farmers. The farm bill is designed to preserve and promote the agricultural base of this country and provide a safe, abundant, and affordable food supply for our people. Farmers continue to do more with less than any other sector of this economy and remain the backbone of our economy providing our Nation and a large part of the world with an inexpensive and safe source of food and fiber.

There are many ways to help farmers. One is to send them financial assistance. Another is to help provide know-how through research and to help open foreign markets, and they are all very important. I support the efforts that are being made to provide that assistance to farmers, but another way to help farmers is for Government not to hurt them, the absence of pain. This is important.

However important or well intentioned Government seems to be, one of the problems facing those in agriculture is the demands placed upon farmers by various agencies of the Fed-

eral Government through the regulatory process. I have farmers in my State who tell me they spend more time preparing for public hearings than they spend on their combines. Some of the regulatory requirements and new rules clearly are necessary and justified, but for those who may not meet the test, it is critical that we provide the Department of Agriculture, specifically the Secretary, with tools to represent the interests of farm families when conflicts arise.

We need to empower the USDA Secretary to have a stronger voice when she represents the needs of farmers in interagency matters.

The bipartisan amendment I will offer is cosponsored by Senators GRASSLEY, ENZI, HAGEL, and MILLER. It is supported by the American Farm Bureau Federation, the National Cattlemen's Beef Association, the National Corn Growers Association, the National Association of Wheat Growers, the National Cotton Council, and the Southern Peanut Farmers Federation.

I also have a letter in which the Missouri organizations support the amendment, including many of the significant entities in Missouri.

The amendment simply authorizes the Secretary of Agriculture to review proposed Federal agency actions affecting agricultural producers to determine if an agency action is likely to have a significant adverse economic impact or to jeopardize the personal safety of agricultural producers.

Should the Secretary find that an agency action would jeopardize the safety or the economic health of agricultural producers, i.e., farmers, it authorizes the Secretary to consult with the agency head and to identify for the agency alternatives that are least likely to harm farmers.

It makes sense that the agency serving agriculture looks at other regulations which may have a significant impact on farmers and say: This is going to cause a real problem. Can we not achieve the objectives of your regulation? Can we not carry out your purposes without having such a harmful impact on agriculture?

If the USDA and the Secretary cannot come to an agreement with the other agency proposing the regulatory action and the agency decides, despite the USDA's best efforts to push forward with a final action that will have a significant adverse economic impact on or jeopardize the personal safety of agricultural producers, then the Secretary can elevate the decision to the White House, and the President is authorized under limited circumstances to reverse or amend the agency action if doing so is necessary to protect farmers and if it is in the public interest.

Under this amendment, the President would not be authorized to do so if the agency action is necessary to protect

human health, safety, or national security. The President would have to consider the public record, the purpose of the agency action and competing economic interests, if any.

Finally, the legislation provides that a Presidential action taken pursuant to this authority could be subjected to expedited congressional review. In other words, the Secretary of Agriculture tries to work out an agreement with the agency. If the agency says, no, we are not going to make any changes, we are not going to work with you, then the Secretary has an option. The Secretary can take it to the President. The President says to the agency proposing to take this action: Stop, you are not going to do it. At that point, Congress, by expedited action procedures we have already approved in other laws, can vote to overturn that Presidential action. So Congress has a role in this regulatory procedure that would not be subjected to filibuster.

In short, this proposal is designed to give farmers through their advocates and USDA a limited but considerable voice in agency actions that impact them directly.

In offering this amendment, it is my intention to provide additional discretion to the President to solve disputes between agencies when mandates may be in conflict and they are unable to come to terms and discretion would better serve the public than gridlock, legal action, or other delaying actions or unnecessary confusion. With discretion comes responsibility and accountability. I believe very strongly it is in the public interest to have political accountability and to limit the circumstances where the elected officials who are accountable to the citizens are not hiding behind bureaucrats when controversial issues arise.

Too many times we have had people say: That agency has sole discretion. Somebody in an agency, never elected by the people, not with any visibility or public accountability, makes a decision with a serious impact on agriculture. Then the Secretary of Agriculture can raise it to the highest elected official in the land and say: You look at it, Mr. President. If you agree that it is an unwarranted overreaching action that has an economic impact or health and safety impact on farmers, then the President can act. But we in Congress could, if we wished, overturn that action of the President. So Congress has a built-in protection against an overreaching Presidential action. We are bringing questions with major impact on the agricultural sector up to the level of public discourse by people elected by the American electorate.

This amendment, I believe, is an excellent opportunity to prompt USDA to play a more active and visible role fighting on behalf of farmers. Frankly, I have always thought they should



take a more active role. They have not always done so, much to the disappointment of the farm community, which is supposed to be served by them and much to the distress of those who support farmers.

Further, this amendment should help make other agencies more responsive to USDA when USDA raises concerns on behalf of farmers.

We are debating farm legislation because we care deeply about our agricultural base. We care deeply about the economic and social value of farm families. We want to protect our food security and thus, by extension, our national security. While we can help many farmers with \$170 billion in spending, we want USDA to be better able to take the simple role of standing up for farmers if another agency that may know little, if anything, about food production is taking action that will harm farmers economically or physically. The Government can help farmers by providing economic assistance. But the Government can also help by trying not to hurt them. That is what this amendment is all about.

We are rightly concerned in this country if an ant is endangered or any other species, but we should also be concerned if a farm community is threatened or endangered. I believe we should give farmers an extra measure of leverage at the table if it is their personal livelihoods or their personal safety which is jeopardized. This limited, and I believe measured, amendment is designed to do just that. What we are doing is strengthening laws that protect farm families.

I urge my Senate colleagues to consider this amendment very carefully, to provide their support, and to send a message to farmers that we believe farmers are worthy of protection; we want the Government to make every sensible attempt to act as advocates for farmers. We believe USDA should be active and visible, fighting for farmers, and we believe the President and the Congress are capable of and can be trusted to weigh the public interest.

This says to the administration that farmers don't always have to be at the very bottom of the food chain. Frankly, they start the food chain and they should be treated as part of that food chain.

I ask unanimous consent to have printed in the RECORD two letters of support, one from various national organizations dated December 7, and one dated December 10 from Missouri organizations.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

*December 7, 2001.*

Hon. KIT BOND,  
U.S. Senate, Russell Senate Office Building,  
Washington, DC.

DEAR SENATOR BOND: We are writing to urge your support for the Bond amendment providing authority to the Secretary of Agri-

culture to review proposed federal agency actions that may have a significant adverse economic impact or jeopardize personal safety of farmers and ranchers.

These are very difficult times for agricultural procedures. The cost and burden of regulation on agriculture has grown exponentially over time and it is an important factor in their struggle to remain competitive, both domestically and internationally. We strongly support the Bond amendment and believe that it will result in government policy being implemented in a more efficient and cost-effective manner. We appreciate your concern for the well being of farmers and ranchers and urge your support of this amendment.

Sincerely,

AMERICAN FARM BUREAU  
FEDERATION.  
NATIONAL ASSOCIATION OF  
WHEAT GROWERS.  
NATIONAL CATTLEMEN'S  
BEEF ASSOCIATION.  
NATIONAL CORN GROWERS  
ASSOCIATION.  
NATIONAL COTTON COUNCIL.

*December 10, 2001.*

Hon. CHRISTOPHER S. BOND,  
U.S. Senate, Washington, DC.

DEAR SENATOR BOND: We applaud your ongoing efforts to reduce the regulatory burden facing our nation's farmers and ranchers. It is entirely appropriate that the farm bill include language that will stifle the regulatory onslaught brought upon by bureaucrats who know little about modern agricultural practices.

Today, farmers and ranchers have enough to worry about—commodity prices are pitiful and input prices more volatile than ever. Our members are being told they must be more competitive if they are to succeed in an increasingly global trade environment. But unfortunately, our nation's agricultural producers today find themselves fighting the federal government on issues such as water quality and quantity, access to crop and livestock protection tools, and appropriate nutrient management.

We believe your amendment will add much needed commonsense to the regulatory process. Additional review of regulations by the Secretary of Agriculture, consultation with other agency heads, and the authority for Presidential intervention are dramatic improvements over current law.

We strongly support your amendment and urge other Senators to support its passage.

Sincerely,

Missouri Farm Bureau; Missouri Corn Growers Association; Missouri Pork Producers Association; Coalition to Protect the Missouri River; Missouri Cattlemen's Association; Missouri Soybean Association; MFA, Inc.; Missouri Dairy Association; The Poultry Federation.

Mr. BOND. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Madam President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Madam President, we have made some progress today on the bill. I appreciate the cooperation of

many of our colleagues. I know there is an amendment pending.

The distinguished Senator from Indiana has indicated other amendments could be offered tonight. I notify our colleagues we do not anticipate any other rollcall votes tonight. I hope some might still be prepared to offer amendments. We could stack the votes for tomorrow morning. We would like to keep going for awhile yet tonight. But in the interests of accommodating Senators with conflicting schedules, we will preclude the need for any additional rollcalls tonight. We will have those votes tomorrow should they be required.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection it is so ordered.

AMENDMENT NO. 2511 TO AMENDMENT NO. 2471

Mr. DASCHLE. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE], for himself and Mr. LUGAR, proposes an amendment numbered 2511 to amendment No. 2471.

Mr. DASCHLE. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To direct the Secretary of Agriculture to establish within the Department of Agriculture the position of Assistant Secretary of Agriculture for Civil Rights)

Strike the period at the end of section 1021 and insert a period and the following:

**SEC. 1022. ASSISTANT SECRETARY OF AGRICULTURE FOR CIVIL RIGHTS.**

(a) IN GENERAL.—Section 218 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6918) is amended by adding at the end the following:

“(f) ASSISTANT SECRETARY OF AGRICULTURE FOR CIVIL RIGHTS.—

“(1) DEFINITION OF SOCIALLY DISADVANTAGED FARMER OR RANCHER.—In this subsection, the term ‘socially disadvantaged farmer or rancher’ has the meaning given the term in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)).

“(2) ESTABLISHMENT OF POSITION.—The Secretary shall establish within the Department the position of Assistant Secretary of Agriculture for Civil Rights.

“(3) APPOINTMENT.—The Assistant Secretary of Agriculture for Civil Rights shall be appointed by the President, by and with the advice and consent of the Senate.

“(4) DUTIES.—The Assistant Secretary of Agriculture for Civil Rights shall—

“(A) enforce and coordinate compliance with all civil rights laws and related laws—

“(i) by the agencies of the Department; and

“(ii) under all programs of the Department (including all programs supported with Department funds);

“(B) ensure that—

“(i) the Department has measurable goals for treating customers and employees fairly and on a nondiscriminatory basis; and

“(ii) the goals and the progress made in meeting the goals are included in—

“(I) strategic plans of the Department; and

“(II) annual reviews of the plans;

“(C) ensure the compilation and public disclosure of data critical to assessing Department civil rights compliance in achieving on a nondiscriminatory basis participation of socially disadvantaged farmers and ranchers in programs of the Department on a nondiscriminatory basis;

“(D)(i) hold Department agency heads and senior executives accountable for civil rights compliance and performance; and

“(ii) assess performance of Department agency heads and senior executives on the basis of success made in those areas;

“(E) ensure, to the maximum extent practicable—

“(i) a sufficient level of participation by socially disadvantaged farmers and ranchers in deliberations of county and area committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)); and

“(ii) that participation data and election results involving the committees are made available to the public; and

“(F) perform such other functions as may be prescribed by the Secretary.”.

(b) COMPENSATION.—Section 5315 of title 5, United States Code, is amended by striking “Assistant Secretaries of Agriculture (2)” and inserting “Assistant Secretaries of Agriculture (3)”.

(c) CONFORMING AMENDMENTS.—Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) is amended—

(1) in paragraph (3), by striking “or” at the end;

(2) in paragraph (4), by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(5) the authority of the Secretary to establish within the Department the position of Assistant Secretary of Agriculture for Civil Rights under section 218(f).”.

Mr. DASCHLE. Madam President, minority farmers have worked America's soil throughout our history. And while these farmers have done so much to advance American agriculture, they have experienced intense and often institutionalized discrimination in the process.

From the broken promise of “40 acres and a mule” during Reconstruction, to the discrimination inherent in many of the New Deal agriculture programs, to the first and second great migrations—during which so many left the land, never to return—the history of minority farmers in America has often been a history of hardship and struggle.

Our Nation has seen the result of that hardship in the dwindling number of minority farmers, and the dwindling acreage of minority farms.

In 1920, blacks owned 14 percent of our nation's farms. Today there are only 18,000 black farmers, representing less than 1 percent of all farms.

Hispanics—who make up such a large share of farm labor—account for a

mere 1½ percent of all farm operators. For Native Americans, that number is half of 1 percent.

Perhaps most saddening is that the United States Department of Agriculture—the agency which was founded by Abraham Lincoln to be “the people's Department” has often been part of the problem.

A 1982 report issued by the Civil Rights Commission stated that the United States Department of Agriculture was “a catalyst in the decline of the black farmer.” Statistics from that time show that only African-Americans received only 1 percent of all farm ownership loans.

A lawsuit filed in 1997 by more than 1,000 black farmers resulted in a historic settlement in which the government acknowledged significant civil right abuses against black farmers.

It is not enough to recognize and remedy past failings. We need to work to ensure that the USDA serves all of its customers fairly in the future.

That is why Senator LUGAR and I are proposing that we establish an Assistant Secretary of Agriculture for Civil Rights.

The Assistant Secretary of Agriculture for Civil Rights would be responsible for compliance and enforcement of all civil rights laws within the USDA, including the compilation and disclosure of information regarding minority, limited resource, and women farmers and ranchers. He or she would set target participation rates for minorities, and make sure that other agency heads and senior executives will enforce for civil rights laws.

Last week, I received a letter in support of this amendment from the chairs of the Congressional Black Caucus, the Congressional Hispanic Caucus, and the Congressional Asian Pacific Americans Caucus.

If they can speak with one voice in supporting this amendment, it is my hope that we can speak with one voice in passing it.

A while ago, PBS aired a film entitled “Homecoming.” It is a chronicle of black farmers from the Civil War to today. In it, a farmer named Lynmore James is interviewed.

I think his words guide our consideration of this amendment:

There's no question in my mind that a lot of land has been lost, and it was lost because of discrimination. But I don't think we need to just close the books on it. I think that where people have been wronged, it should be righted.

The most lasting way to truly see those wrongs made right is to ensure that they are never repeated.

That is exactly what an Assistant Secretary of Agriculture for Civil Rights would do, and that is why I urge my colleagues to support this amendment.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Madam President, I am pleased to be a cosponsor of an amendment that I think is truly important. The majority leader certainly outlined the basic reasons for it. But let me illuminate further.

From hearings we had before the Agriculture Committee in recent years during the period of time when I was privileged to serve as chairman, in each of those years we asked for reports from those responsible in USDA on progress in the area of civil rights disputes. There were so many. They were so complex and pervasive, and the backlog always seemed to be unusually and uncomfortably large.

Just last year we had an extensive hearing, and this came because the Secretary of Agriculture, then Dan Glickman, our former colleague from the House who had become the Secretary, had taken a great interest in this issue as a Member of the House and likewise in his new capacity. He recommended, after following the lead of the Civil Rights Action Team of the Department of Agriculture, that the head of civil rights become an Assistant Secretary. I think this is an appropriate time, in the farm bill, as we project agriculture and its governance for the coming years.

I would simply say that the reasons for civil rights problems at the Department of Agriculture appear legion, but they are not simply problems of committees in the field, often a point of dispute in the past, but frequently allegations of discrimination in the administration of the Department itself, which is something that is here in Washington—or at least very much under the control of those who administer the Department.

Whatever the reason—and certainly some will say this is precedent for the appointment of a similar Assistant Secretary ad seriatim in Cabinet after Cabinet post—and I appreciate that argument that has been offered from time to time—this is, I believe, a fortunately unique situation. Despite the best observation in a bipartisan way in our committee, and even with the cooperation of the Secretary of Agriculture, we have not overcome.

So I am pleased the distinguished majority leader has taken this initiative. I was immediately pleased that he asked me to be involved with this effort, which I am delighted to do. I think this is a constructive amendment, and I am hopeful it will find the approval of our colleagues.

I yield the floor.

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. Madam President, I thank the distinguished senior Senator from Indiana for his eloquence and for his willingness to be supportive of this amendment. It is always a pleasure to work with him. Certainly in this case



it is, again, a matter of import. I appreciate very much his willingness to be involved.

I hope by the next time we pass a farm bill the numbers and the statistics and reports of continued erosion of minority involvement in agriculture can be turned around. As the distinguished Senator from Indiana has noted, this has not been necessarily by design. I think in large measure it has happened for reasons beyond the control of any one individual or any particular division of the Department of Agriculture. But we can do better. It is our hope that by putting somebody in charge we will do better.

It is our expectation that by the time we do another farm bill we can look back with some satisfaction that we indeed have done better and responded in a way that would make us far more satisfied about the progress that I believe we can make in this area.

With that, I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment?

The Senator from Idaho.

AMENDMENT NO. 2512 TO AMENDMENT NO. 2511

Mr. CRAIG. Madam President, I send a second-degree amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. CRAIG] proposes an amendment numbered 2512 to amendment No. 2511.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. I ask the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To add provisions regarding nominations)

At the appropriate place, add the following:

#### SEC. . SENSE OF THE SENATE.

It is the sense of the Senate that, before Congress creates new positions that require the advice and consent of the Senate, such as the position of Assistant Secretary for Civil Rights of the Department of Agriculture, the Senate should vote on nominations that have been reported by committees and are currently awaiting action by the full Senate, such as the nomination of Eugene Scalia to be Solicitor of the Department of Labor.

Mr. HARKIN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. Is there further debate on the second-degree amendment?

Mr. DASCHLE. Madam President, I ask unanimous consent that the sec-

ond-degree amendment and the Daschle amendment be set aside to accommodate an amendment to be offered by the Senator from Missouri, Mr. BOND.

The PRESIDING OFFICER. Is there objection?

Mr. CRAIG. Madam President, reserving the right to object, might I inquire of the majority leader when he would want to bring this back up for the purpose of debate?

Mr. DASCHLE. Certainly we can bring it up at some point tomorrow. As I understand it, Senator BOND was hoping to have at least an hour on the amendment to be offered tonight. It would be my expectation that sometime tomorrow we would return to this issue.

Mr. CRAIG. Madam President, recognizing that the set-aside would not in any way infringe upon the right of myself as a person who offered the second degree, and certainly the majority leader offered the first degree, I do not object.

AMENDMENT NO. 2511 WITHDRAWN

Mr. DASCHLE. Madam President, to make things simpler, I withdraw my amendment.

The PRESIDING OFFICER. The Senator has that right.

Mr. DASCHLE. I thank the Chair.

Mr. CRAIG. I thank the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Madam President, I would like to inquire of the Senator from Missouri, as I understand it, the Senator wants an hour and a half on his amendment. Could we use some of that time tonight so that in the morning we could perhaps have some time?

Mr. REID. Madam President, if my friend will yield, I spoke to Senator BOND. He indicated he would like to speak tonight. He has four or five people who wish to speak tomorrow. He indicated he would be willing to accept 1½ hours equally divided in the morning. He would want his time tonight to count against the 90 minutes.

Mr. BOND. Madam President, there are a number of cosponsors who wish to speak in support of this amendment. My thought is maybe not everybody in this body will support it. By tomorrow morning, I think there may be others who will wish to present opposing ideas. It would be my desire after my cosponsors speak on it, if there is no opposition, that we could yield back some of that time. I simply asked for 90 minutes tomorrow in case there are other people who want to weigh in. I expect there will be more than the number who have registered as cosponsors.

I think this has a significant impact on the entire agricultural community across the country. I would like to have the possibility of using the 90 minutes in the light of day so people understand all sides of this issue.

Mr. DASCHLE. Madam President, will the Senator yield for the purpose of a unanimous consent request?

Mr. BOND. Certainly.

Mr. DASCHLE. Madam President, I appreciate very much the Senator from Missouri yielding for that purpose.

I was going to inform my colleagues that we have already noted there will be filing of cloture tonight. I know there are Senators who are asking about Friday and Monday. I am not going to propound the unanimous consent request because I don't think it has been properly vented on each side. I suggest that perhaps we could have cloture tomorrow and that we would be prepared to forego votes on Friday and Monday and still take into account the need to consider the so-called Cochran-Roberts amendment regardless of cloture.

My thought is that we file cloture and vote on cloture and have consideration of the Cochran-Roberts amendment with some expectation of a vote at a later time on that. Whether or not that could be accomplished is still in question. But that is something that I suggest. I notify our colleagues that will be a possibility: File cloture tonight, have a vote on that either tomorrow or Friday. If we have it tomorrow, we could still bring up the so-called Cochran-Roberts amendment for consideration.

I thank my colleague. I thank the Senator from Missouri.

Mr. REID. Madam President, will the majority leader yield for a question?

Mr. DASCHLE. Yes.

Mr. REID. As I understand the majority leader, cloture will be filed tonight, and, if we have a vote on that tomorrow, we will not be in session on Friday—at least no votes on Friday or Monday.

Mr. DASCHLE. I draw the distinction. We will certainly be in session on Friday. My hope is we could bring up a conference report, and maybe a conference report on education on Monday, but not have any votes.

That, again, will be up to all of our colleagues on both sides of the aisle. We have not hot-lined it. I just wanted to make that proposal and see what kind of reaction we would get. That would be the proposal, and I will have more to say about that at a later time.

I thank the Senator from Missouri.

The PRESIDING OFFICER (Ms. CANTWELL). The Senator from Missouri.

Mr. BOND. Madam President, we had discussed a 90-minute time agreement on this amendment.

First, what is the pending business so we may be sure the amendment is to the appropriate measure?

The PRESIDING OFFICER. The pending business is the Daschle substitute amendment.

Mr. BOND. Amendment number 2471?

The PRESIDING OFFICER. That is correct.

Mr. DASCHLE. Madam President, if the Senator will yield for a unanimous

consent request which I think he thought I was going to make the first time, I ask unanimous consent that when the Senate resumes consideration of S. 1731 at 9:30 on Thursday, December 13, there be 90 minutes for debate prior to vote in relation to the Bond amendment with the time equally divided and controlled in the usual form with no intervening amendment in order prior to the vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DASCHLE. I thank my colleagues.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 2513 TO AMENDMENT NO. 2471

Mr. BOND. Madam President, I send an amendment to the desk on behalf of myself and Senator GRASSLEY, Senator ENZI, Senator HAGEL, and Senator MILLER, and I ask that it be considered pursuant to the time agreement just entered.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Missouri [Mr. BOND], for himself, Mr. GRASSLEY, Mr. ENZI, Mr. HAGEL, and Mr. MILLER, proposes an amendment numbered 2511 to amendment No. 2471.

Mr. BOND. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To authorize the Secretary of Agriculture to review Federal agency actions affecting agricultural producers)

Strike the period at the end of section 1034 and insert a period and the following:

**SEC. 1035. REVIEW OF FEDERAL AGENCY ACTIONS AFFECTING AGRICULTURAL PRODUCERS.**

(a) DEFINITIONS.—In this section:

(1) AGENCY ACTION.—The term “agency action” has the meaning given the term in section 551 of title 5, United States Code.

(2) AGENCY HEAD.—The term “agency head” means the head of a Federal agency.

(3) AGRICULTURAL PRODUCER.—The term “agricultural producer” means the owner or operator of a small or medium-sized farm or ranch.

(4) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

(b) REVIEW OF AGENCY ACTION BY SECRETARY.—

(1) IN GENERAL.—The Secretary may review any agency action proposed by any Federal agency to determine whether the agency action would be likely to have a significant adverse economic impact on, or jeopardize the personal safety of, agricultural producers.

(2) CONSULTATION; ALTERNATIVES.—If the Secretary determines that a proposed agency action is likely to have a significant adverse economic impact on or jeopardize the personal safety of agricultural producers, the Secretary—

(A) shall consult with the agency head; and  
(B) may advise the agency head on alternatives to the agency action that would be least likely to have a significant adverse economic impact on, or least likely to jeopardize

the personal safety of, agricultural producers.

(c) PRESIDENTIAL REVIEW.—

(1) IN GENERAL.—If, after a proposed agency action is finalized, the Secretary determines that the agency action would be likely to have a significant adverse economic impact on or jeopardize the safety of agricultural producers, the President may, not later than 60 days after the date on which the agency action is finalized—

(A) review the determination of the Secretary; and

(B) reverse, preclude, or amend the agency action if the President determines that reversal, preclusion, or amendment—

(i) is necessary to prevent significant adverse economic impact on or jeopardize the personal safety of agricultural producers; and

(ii) is in the public interest.

(2) CONSIDERATIONS.—In conducting a review under paragraph (1)(A), the President shall consider—

(A) the determination of the Secretary under subsection (c)(1);

(B) the public record;

(C) any competing economic interests; and

(D) the purpose of the agency action.

(3) CONGRESSIONAL NOTIFICATION.—If the President reverses, precludes, or amends the agency action under paragraph (1)(B), the President shall—

(A) notify Congress of the decision to reverse, preclude, or amend the agency action; and

(B) submit to Congress a detailed justification for the decision.

(4) LIMITATION.—The President shall not reverse, preclude, or amend an agency action that is necessary to protect—

(A) human health;

(B) safety; or

(C) national security.

(d) CONGRESSIONAL REVIEW.—Reversal, preclusion, or amendment of an agency action under subsection (c)(1)(B) shall be subject to section 802 of title 5, United States Code.

Mr. BOND. Madam President, I thank my colleagues for their courtesy. We look forward to continuing this debate in the morning.

I thank the Chair.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER (Ms. CANTWELL). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

**CLOTURE MOTION**

Mr. DASCHLE. Madam President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

**CLOTURE MOTION**

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the Daschle for Harkin substitute amendment No. 2471 for Calendar No. 237, S. 1731, the farm bill:

Tim Johnson, Harry Reid, Barbara Boxer, Thomas R. Carper, Zell Miller,

Max Baucus, Bryon L. Dorgan, Ben Nelson, Daniel K. Inouye, Tom Harkin, Kent Conrad, Mark Dayton, Deborah Stabenow, Richard J. Durbin, James M. Jeffords, Thomas A. Daschle, Blanche Lincoln.

**COUNTRY OF ORIGIN LABELING**

Mr. JOHNSON. Madam President, it has been brought to my attention that there are unique concerns about how perishable agricultural commodities are labeled under the country of origin labeling provision in the farm bill. Unlike meat products that are oftentimes either wrapped or displayed behind glass, shoppers physically handle produce to evaluate such characteristics as size or ripeness. Quite honestly, after being handled by a consumer, a fruit or vegetable item is not always returned to the original bin in which the product was displayed. For this reason, each individual produce item may need to be labeled when physically possible to ensure accuracy about the country of origin information.

I am confident the method of notification language in the labeling provision in the farm bill will ensure responsibility in information-sharing on the part of processors, retailers, and others under this act. Our language requires any person that prepares, stores, handles, or distributes a covered commodity for retail sale to maintain records about the origin of such products and to provide information regarding the country of origin to retailers. Nonetheless, I understand retailers have some concerns about making sure they are provided with accurate information. Therefore, so that we can be confident this is workable for retailers and others, I would like to recommend to my lead cosponsor of this legislation, Senator GRAHAM of Florida, that we consult with the growers, packers and retailers to develop a means to provide such labels or labeling information to the grocery stores.

Mr. GRAHAM. Mr. President, I thank the Senator from South Dakota. Senator JOHNSON, I appreciate your comments.

My primary objective in pursuing country-of-origin legislation is to provide consumers with accurate information about where their produce is grown. My home State of Florida has required mandatory country-of-origin labeling of fresh fruits and vegetables for over 20 years, and Florida consumers have made it known that they appreciate the availability of this information.

Many domestic products are already labeled for promotion purposes. Our proudly labeled “Florida Oranges” are a great example of a successful marketing tool. There are any number of ways to label produce, including price-look-up stickers, plastic attachments, paper wrapping, signs next to barrels of produce. Produce items are increasingly being branded as another method



of labeling. In recognition of this fact, the labeling provision included in Senator HARKIN's farm bill provides the flexibility to label items by any visible and practical means.

That said, I understand retailers would prefer to receive their produce shipments with country-of-origin labels already affixed to each piece of produce. To some degree, growers and packers are already labeling their products, and retailers are not required to provide further information if this is in the case.

Regarding those products that do not arrive at the grocery store already labeled, I encourage growers and shippers to continue to do this and to work with retailers to find the most efficient methods to provide accurate country-of-origin information and labeling.

I agree with the Senator from South Dakota that we should continue discussion with the industries impacted by this amendment, and I look forward to helping everyone identify the best methods to implement labeling legislation and ensure that consumers have ready access to country-of-origin information.

Ms. CANTWELL. Madam President, I rise today, along with my distinguished colleagues Senator MURRAY from Washington State and Senator INOUE from Hawaii in support of two amendments to the Agriculture, Conservation, and Rural Enhancement Act of 2001 to promote cooperation between Indian tribes and the United States Forest Service in the management of forest lands.

This legislation would amend the Cooperative Forestry Assistance Act of 1978 to establish an Office of Tribal Relations and other cooperative programs within the Forest Service to better provide for the joint efforts of the Forest Service and Indian tribes. If the purpose of the Cooperative Forestry Assistance Act is to improve the management, resource production, and environmental protection of nonfederal forest lands, then the 17 million acres of land held by Indian tribes and individual Indians should be included as a component of this law to facilitate cooperative management of our forests.

Tribes have a significant role to play towards our national goal of ensuring that forests are managed as both sustainable resources and enduring habitats. Again, tribes or tribal members are responsible for the management of approximately 17 million acres of forest land, which is eligible for about 750 million board feet of sustainable annual harvest. Much of this land shares borders with Forest Service land, and tribes also possess treaty rights within Forest Service land. The Forest Service and tribes are linked not only by common interest but also by a very practical need to work together.

Currently tribes may participate in the Forestry Incentives and Forest

Stewardship programs under sections 4 through 6 of the Cooperative Forestry Assistance Act. These programs provide assistance to private landowners in order to keep their forest land healthy and viable. However, the programs are designed for cooperation with State governments and do not appropriately take into account the government-to-government and trust relationships that tribes have with the Federal Government. Also, there is general lack of understanding among tribes and Forest Service personnel regarding how the existing cooperative assistance programs would extend to individual Indians with land held in trust. As a result, tribes and individual American Indian and Native Alaskan landowners seldom participate in the programs.

In October 1999, the Chief of the Forest Service established a National Tribal Relations Task Force to study tribal involvement in the management of both Forest Service and Indian-held lands. The Task Force included representatives from the Forest Service, the Bureau of Indian Affairs, BIA, and the Intertribal Timber Council. The Task Force found that, indeed, cooperative forestry programs that specifically work with tribal communities are greatly in need in order to establish equity in forestry assistance and to fulfill stewardship responsibilities towards the management of forestry lands held in trust.

This legislation responds to the need to improve tribal-Forest Service coordination by allowing the Secretary of the Department of Agriculture to provide financial, technical, and educational assistance for coordination on shared land, land under the jurisdiction of Indian tribes, and Forest Service land to which tribes may have interests and rights.

The Task Force similarly found, and I quote directly from the report, that "the current Forest Service tribal relations program lacks the infrastructure and support necessary to ensure high quality interactions across programs with Indian Tribes on a government-to-government basis." My colleagues and I would like to improve the Forest Service's ability to interact effectively with tribes by adding an Office of Tribal Relations within the Forest Service to be headed by a Director appointed by the Chief of the Forest Service.

This office will be responsible for the oversight of all programs and policies relating to tribes. This legislation outlines that it would be the duty of the Office of Tribal Relations to consult with tribal governments, monitor and evaluate the relations between tribal governments and the Forest Service, and coordinate matters affecting tribes in a way that is comprehensive and responsive to tribal needs. This office will also cooperate with the other agencies of the Department of Agri-

culture, the Department of Interior, and the Environmental Protection Agency.

It is important that the Forest Service be able to effectively work with tribal communities. At this point, we know from the Forest Service, the BIA, and the Intertribal Timber Council that the Forest Service lacks the programmatic structure to be able to accommodate and effectively work with tribes and those holding trust lands due to their unique legal and organizational status. As an arm of the Federal Government, the Forest Service must uphold the trust responsibilities we have towards tribes. I believe that we have a duty, to tribes and to our forests, to respond to tribes' expressed desire for assistance with forest resource planning, management, and conservation with this legislation. I would like to thank Senator DASCHLE, Senator BAUCUS, and Senator WELLSTONE for their support, and I urge the rest of my colleagues to support these amendments as well.

Mr. DASCHLE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### MORNING BUSINESS

Mr. REID. I ask consent that the Senate now proceed to morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### THE NEED TO PASS MTBE LEGISLATION

Mr. SMITH of New Hampshire. Mr. President, I would like to engage the majority leader in a colloquy. As the majority leader knows, I have been working for nearly two years on legislation to deal with the numerous problems associated with the gasoline additive MTBE. The use of MTBE as a fuel additive grew tremendously starting with the Clean Air Act's reformulated gasoline program that was implemented in 1995. Today, MTBE makes up approximately 3 percent of the total national fuel market.

Unfortunately, when leaked or spilled into the environment, MTBE can cause serious drinking water quality problems. MTBE moves quickly through land and water without breaking down. Small amounts of MTBE can render water supplies undrinkable.

This contamination is persistent throughout the nation, and New Hampshire is certainly a State that has been